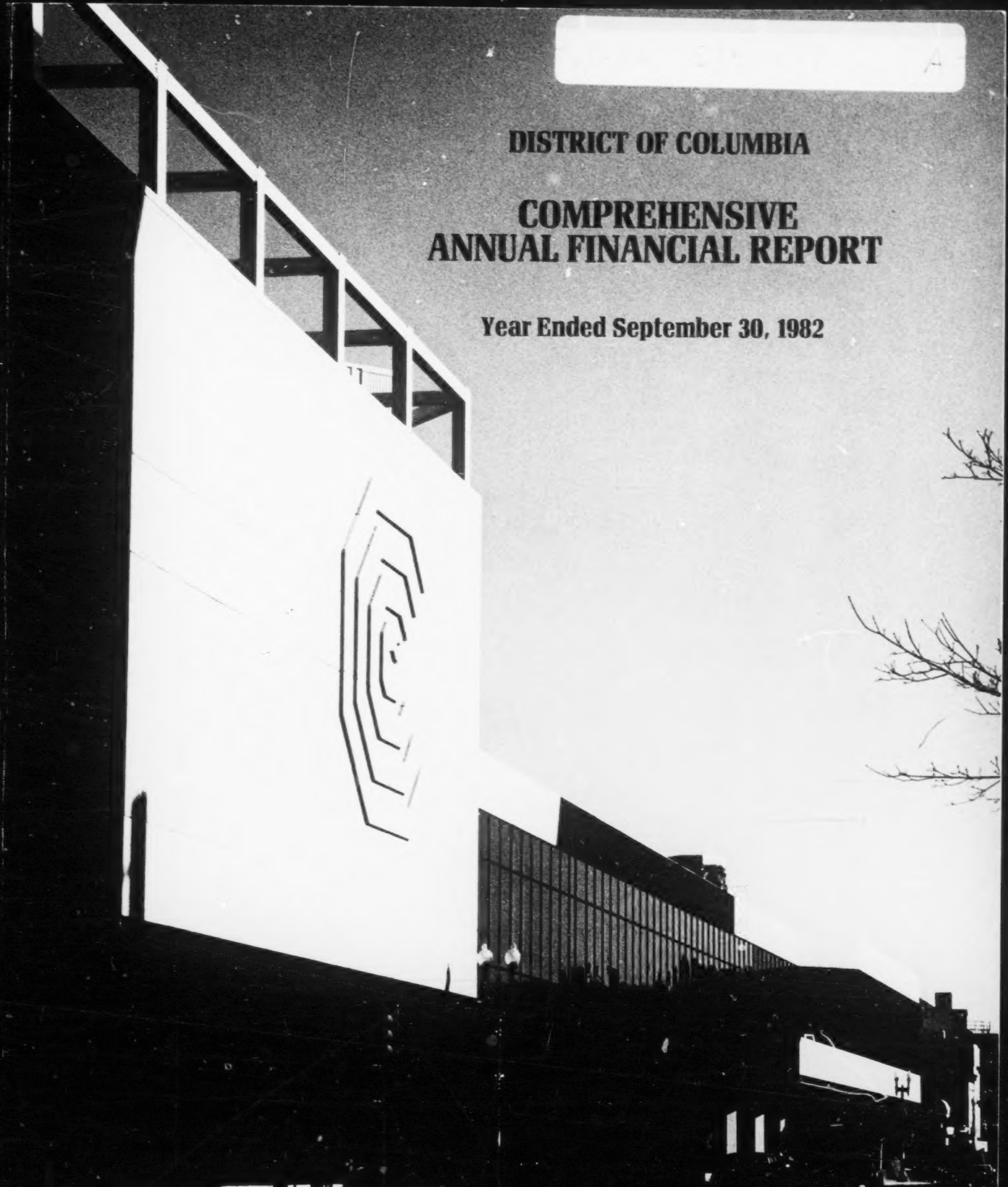
DISTRICT OF COLUMBIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1982



BEST AVAILABLE COPY

THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20004

MARION BARRY, JR.
MAYOR

January 17, 1983

Dear Citizens:

I am pleased to report to you that for the second consecutive year, the District achieved an excess of revenues over expenditures in its General Fund. This accomplishment reverses an almost unbroken string of deficiencies through the 1970's to 1980. The 1982 excess was $13.1 million compared to an excess of $68.3 in 1981. It is particularly noteworthy that the 1982 excess was achieved despite a shortfall in revenue of $12.7 million. This shortfall was made up by reducing spending under the budget by $14.4 million.

Last year, I said we entered the 1980's "On the Grow." In 1982, we put that slogan into operation.

- The lottery was successfully launched in August and, during its first 45 days in fiscal 1982, produced operating income to the District of $4.7 million.
- The Housing Finance Agency publicly sold its initial bonds to finance multiple housing construction so sorely needed. HFA plans to expand its activities in the future.
- In October 1981 and again in October 1982, the District sold on behalf of George Washington University tax-exempt bonds to assist that great institution in expanding its physical plant.
- Despite difficult economic times, our 1982 Summer Youth Program produced 19,200 meaningful jobs for our young people.
- We were able to obtain from Congress a significant increase in the Federal Payment. In 1982, $336.6 million was appropriated. We project $363.3 million in 1983.
- In January 1983, the Convention Center formally opened with the Inaugural Ball for officials newly elected in the November elections. A total of 2,000 hotel rooms are now under construction to serve visitors who will use the Center.

The District serves its 650,000 citizens, 330,000 additional suburbanites who work here daily and 15 million visitors annually with 27,300 permanent employees. The District is a big business—over $2 billion annual revenues—and getting bigger annually. This is compounded by activities like the lottery and Convention Center which are new operations this year.

A $2 billion business must be run in an effective and efficient manner. To this end, several District agencies have responded.

- The Department of Finance and Revenue has installed streamlined collection procedures using coupons and bank lock boxes to speed deposit of taxes and identification of taxpayers. DFR has also instituted improved tax audit and compliance measures.
- During 1982, 18,000 new commercial and residential meters were installed by the Department of Environmental Services. These are expected to produce accurate readings for customers and thereby create added revenues.

- The Department of Licenses, Investigation and Inspections has installed a "one stop" business licensing service so that new businesses can obtain all licenses and information formerly provided by several different agencies.

I would be remiss if I did not share with you some of our yet unsolved problems.

- The District has still not been able to obtain Congressional approval to fund a portion of its accumulated deficit by long-term borrowing, and has had to continue to finance its capital improvement program by U.S. Treasury loans at a higher taxable interest rate than would be obtainable for comparable tax-exempt municipal bonds.
- The continuing Federal fiscal crisis will impact the District. Federal grant funds in the future will be reduced. In 1982, CETA was reduced and will be eliminated in 1983. We must find ways to replace these funds or cut programs.
- Although there is absolutely no short-term danger, our pension plans remain in difficult long-term financial trouble. By 2004, the District will have unfunded liabilities of $8.8 billion, a truly staggering amount.

Thus, we face tough choices in the next several years as our economy picks up and additional opportunities for maximizing service while minimizing costs are identified. Although our challenges are indeed formidable, I believe we have a management team in place to meet them. Thus, I believe we continue to be "On the Grow."

Very truly yours,

Marion S. Barry, Jr.
Mayor

DISTRICT OF COLUMBIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1982

JUSTITIA
1871
OMNIBUS

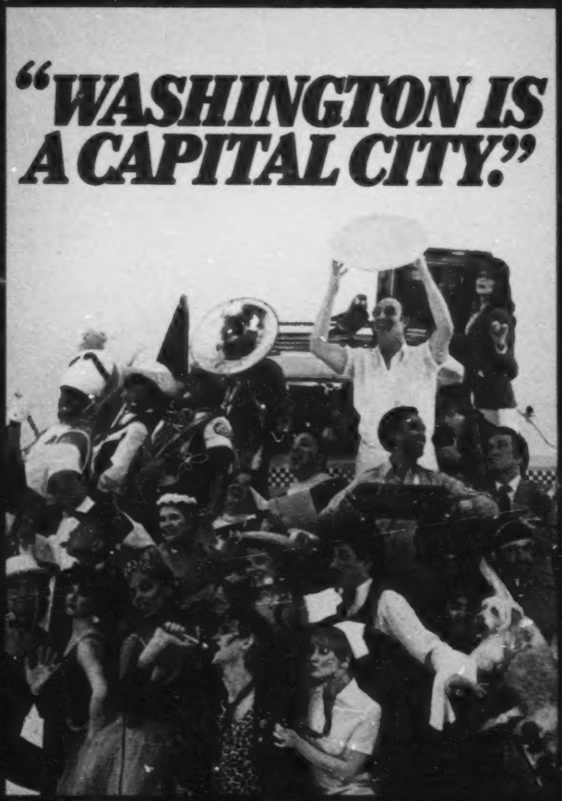
Prepared by:
Office of the Controller

Alphonse G Hill, CPA
Deputy Mayor for Finance

1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Introductory Section

This section contains the table of contents, letter of transmittal, organization chart, list of principal officials and Certificate of Conformance in Financial Reporting.


"WASHINGTON IS A CAPITAL CITY."

DISTRICT OF COLUMBIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1982

TABLE OF CONTENTS

Exhibit | Page

INTRODUCTORY SECTION

Table of Contents ... 1
Letter of Transmittal ... 3
Organization Chart ... 12
Principal Officials ... 13
Certificate of Conformance in Financial Reporting ... 14

FINANCIAL SECTION

General Purpose Financial Statements (Combined Statements - Overview)

Report of Certified Public Accountants ... 15
1 Combined Balance Sheet - All Fund Types and Account Groups ... 16
2 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types ... 18
3 Statement of Revenues, Expenditures and Reconciliation - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund ... 19
4 Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Trust Funds ... 20
5 Combined Statement of Changes in Financial Position - All Proprietary Fund Types ... 21
Notes to Financial Statements ... 22

Combining and Individual Fund Statements

General Fund ... 39
A-1 Comparative Balance Sheet ... 40
A-2 Comparative Statement of Revenues, Expenditures and Changes in Fund Balance ... 41
A-3 Statement of Expenditures by Function ... 42
Capital Projects Fund ... 43
B-1 Comparative Balance Sheet ... 44
B-2 Comparative Statement of Revenues, Expenditures and Changes in Fund Balance ... 45
University Funds ... 47
C-1 Comparative Balance Sheet ... 48
C-2 Comparative Statement of Revenues, Expenses and Changes in Fund Balance ... 49
C-3 Comparative Statement of Changes in Financial Position ... 50
Enterprise Funds ... 51
D-1 Combining Balance Sheet ... 52
D-2 Combining Statement of Revenues, Expenses and Changes in Retained Earnings ... 53
D-3 Combining Statement of Changes in Financial Position ... 54
Internal Service Funds ... 55
E-1 Combining Balance Sheet ... 56
E-2 Combining Statement of Revenues, Expenses and Changes in Retained Earnings ... 57
E-3 Combining Statement of Changes in Financial Position ... 58
Fiduciary Funds ... 59
F-1 Combining Balance Sheet ... 60
F-2 Combining Statement of Revenues, Expenses and Changes in Fund Balances - Trust Funds ... 61
F-3 Statement of Changes in Assets and Liabilities - Agency Funds ... 62

TABLE OF CONTENTS (Continued)

Exhibit Page

STATISTICAL SECTION

S-1 General Fund Revenues by Source - Last Ten Fiscal Years 63
S-2 General Fund Expenditures by Function - Last Ten Fiscal Years 63
S-3 Appropriated Obligations by Activity - Budget and Actual (Non-GAAP Budgetary Basis) 64
S-4 Real Property Tax Levies and Collections - Last Ten Fiscal Years 66
S-5 Percent of Federal Payment to Revenues and Expenditures - Last Ten Fiscal Years 66
S-6 Major Tax Rates - Last Ten Fiscal Years 67
S-7 Percent of Debt to Estimated Actual Value of Taxable Property and Debt per Capita - Last Ten Fiscal Years 67
S-8 Computation of Legal Debt Limitation 68
S-9 Percent of Debt Service to General Fund Expenditures - Last Ten Fiscal Years 68
S-10 Ten Highest Market Values for Commercial and Apartment Properties 69
S-11 Ten Highest Market Values for Residential Properties 69
S-12 Ten Highest Market Values for Tax-Exempt Properties 70
S-13 Population Distribution - Last Four Censuses 70
S-14 Property Value, Construction and Bank Deposits - Last Six Fiscal Years 71
S-15 Distribution of Individual Income Taxes 71
S-16 Miscellaneous Statistics 72
S-17 Summary of Financial Activity 73

DISTRICT OF COLUMBIA
OFFICE OF THE DEPUTY MAYOR FOR FINANCE
1350 PENNSYLVANIA AVENUE, NORTHWEST
WASHINGTON, DC 20004

Alphonse G Hill, CPA
Deputy Mayor for Finance
(202) 727-6343

January 17, 1983

The Honorable Marion S. Barry, Jr., Mayor of the
District of Columbia:

The Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1982, is submitted herewith. This Report was prepared by the Office of the Controller. Responsibility for both the accuracy of the financial data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. I believe the data are accurate in all material respects, are presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds, and all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

Internal Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. I believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

Budgetary control is maintained at the object class and control center level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an apparent overrun of object class and control center balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at September 30, 1982.

As mandated by Congress, the District's budget is prepared on a basis substantially different from financial reporting. The principal differences are exclusion of grant revenues and related grant-funded expenditures, and use of an obligation vs. expenditure basis. The Congressionally-approved "appropriation" refers to obligations which may be incurred. I am pleased to report that the District operated $14.4 million (0.9%) *under* the 1982 Congressional appropriation of $1,625.5 million.

Accounting System

During 1982, the Financial Management System ("FMS"), which was installed in 1980, was further refined to permit improved financial control over our operations.

The Reporting Entity and Its Services

The entity of the District of Columbia included in this Comprehensive Annual Financial Report has been determined by generally accepted accounting principles. Under these principles, every governmental entity must have an electorate. Therefore, if a District-based governmental activity is not clearly part of the Federal government, or another state or local government, it must be reported for financial purposes as part of the District government. This applies even if the activity is an "independent agency" or is required by law to issue a separate audited annual report. Based on these principles, this Report includes all funds and account groups of the District and covers all activities of the District. These activities include a number of "independent agencies."

- *The Board of Education,* which manages the public schools and whose members are elected on an at-large and ward basis.
- *The Courts,* whose judges are appointed by the U.S. President with consent of the U.S. Senate.
- *The University, Starplex, Convention Center, Lottery and Games, General Hospital,* and *Housing Finance Agency,* each of which have separate governing Boards appointed by the Mayor and Council.
- *The Retirement Board,* whose members are appointed by the Mayor, Council, and active and retired police officers, firefighters and teachers.

As the Nation's Capital, a number of governmental activities within the District are part of the Federal government. They include Washington National Airport, John F. Kennedy Center for the Performing Arts, National Gallery of Art, Smithsonian Institution, National Zoo, St. Elizabeths Hospital, the Botanical Garden, and most parks. Accordingly, these Federal activities are excluded from this Report.

The Washington Metropolitan Area Transit Authority is a joint venture of Maryland, Virginia and the District, and is a separate reporting entity. However, the District's financial interest in the WMATA, principally the Metro subway, is included in the financial statements in this Report.

The District provides the full range of state, county and city services. This includes judicial (courts), public safety (police, fire, National Guard, corrections and regulatory affairs), public works (highways, streets, traffic control and sanitation), human services (health, welfare and employment services), cultural services (recreation and libraries), community development (planning, zoning, urban renewal and housing), education (public schools) and general administrative services. In addition, the District operates a water and sewer utility service, a general hospital, a stadium and armory complex ("Starplex"), and a municipal university. The new lottery commenced operations in August 1982. The District also constructed a convention center that opened on January 3, 1983, with the Inaugural Ball for newly elected District officials.

The General Fund

The General Fund is the principal activity of the District government because it includes all activities not specifically accounted for in other funds. The General Fund operations are summarized below ($ millions).

	1982	1981
Revenues	$1,996.6	$1,912.3
Expenditures	(1,976.3)	(1,943.6)
Other financing sources (uses), net	(7.2)	99.6
Excess of revenues over expenditures	$ 13.1	$ 68.3

The excess achieved in 1982 and 1981 marks a sharp turnaround from the deficiencies of prior years. Since 1970, the District sustained deficiencies in 9 of the 12 fiscal periods through 1980. This trend resulted in the accumulated deficit reported in our first audit in 1979.

The 1982 excess was achieved principally because expenditures were curtailed when revenue goals appeared unreachable.

Revenues

The major factors for the favorable financial results of 1982 are increased revenues from District sources. The following table summarizes 1982 revenues.

	1982 Amount ($ Millions)	Percent of Total	Percent Increase (Decrease) from 1981
Property taxes	$ 325.1	16.3%	25.5%
Sales and use taxes	382.3	19.1	1.4
Income and franchise taxes	427.4	21.4	6.2
Other taxes	37.9	1.9	(5.7)
Total taxes	1,172.7	58.7	8.7
Charges for services	69.5	3.5	(5.3)
Licenses and permits	29.7	1.5	1.4
Fines and forfeits	22.1	1.1	(6.0)
Miscellaneous	18.0	.9	(37.7)
Total District sources	1,312.0	65.7	6.3
Intergovernmental grants	329.3	16.5	(7.1)
Revenue sharing	18.7	.9	(2.6)
Federal payment	336.6	16.9	10.5
Total intergovernmental	684.6	34.3	0.9
Total revenue	$1,996.6	100.0%	4.4%

Federal revenues declined to 34.3% of total 1982 revenues versus 35.5% in 1981. This continues a trend over the past decade. The District expects further declines as we experience the impact of the cut-backs in Federal programs.

Real property taxes for 1982 were $297.0 million, compared to $234.3 million in 1981. The $62.7 million increase is due to the increasing trend of real estate values experienced for the past several years. Actual revenues were $4.5 million more than budget attributable to the final taxable base exceeding $20 billion vs. the $19.7 billion tax base on which the budget was estimated.

Personal property taxes in 1982 were $28.1 million, compared to $24.8 million in 1981. Actual revenues were $0.6 million higher than the budget.

The sales and use group of taxes increased $5.1 million in 1982 over 1981. This tax group includes a number of different tax levies.

- The general sales tax revenues were $248.9 million and increased $11.7 million over 1981, but were $11.1 million less than the 1982 budget. In August 1980, the tax rate increased from 5 to 6% on regular sales. Our 9.0% inflation estimate proved to be high since actual inflation during fiscal 1982 was 5.4%. We similarly estimated sales volume to increase by 7.5% over 1981, but the continuing economic downturn increased volume by only 4.1%. Further, after the budget estimate was prepared, candy and soft drinks were removed from the 8% sales tax base. These three factors caused the underbudget results.
- Alcohol, cigarette and insurance taxes came in nearly on budget as in prior years. These totalled $33.9 million in 1982.
- Motor fuel taxes increased $3.3 million in 1982 vs. 1981 and showed a favorable budget variation in 1982 of $0.8 million. During 1981, there were three different tax rates in effect, and the increase in tax rates in 1982 was greater than the consumption decrease.
- Gross receipts taxes on utilities were $65.5 million in 1982 vs. $55.8 million in 1981. The $7.5 million higher than 1982 budget utility tax revenues and the $9.7 million increase over 1981 revenues are due to higher utility rates than we expected when the budget was prepared.

Income and franchise taxes increased $25.0 million in 1982. This increase was $10.5 million lower than the budget projections.

- Personal income taxes produced a $7.2 million unfavorable variation vs. budget. The budget assumed a 7.5% increase in real incomes and a 9.0% inflation rate. The actual rates were 6.5% and 5.4%, respectively, producing $2.9 million of the unfavorable variance. Conformity of District tax laws to the new Federal laws and the property tax credit caused $3.8 million and $0.5 million, respectively, of the shortfall.
- Gross earnings taxes on banks and savings institutions were $19.0 million or $7.4 million under budget projections. This disappointing result is due to the well-known unfavorable operations of the thrift industry. Further, 1982 was the first year in the planned transition from gross earnings taxes on banks and savings institutions to regular corporate franchise taxes.
- We expected corporate franchise tax receipts to remain flat in 1982 due to the recession. This proved correct and the $0.7 million favorable budget vs. actual experience is due entirely to banking institution collections discussed above. Total revenues were $53.4 million in 1982 vs. $53.7 million in 1981.

- Unincorporated business taxes also increased in 1982 to $14.8 million vs. $12.8 million in 1981 and a $12.0 million 1982 budget.

Other tax receipts decreased $2.8 million in 1982 vs. 1981, producing a $1.8 million unfavorable budget variation principally due to a depressed real estate market which significantly reduced real estate transfer taxes.

Expenditures

General Fund expenditures increased by $32.7 million to $1,976.3 million in 1982, an increase of 1.7%; this compares to a $52.9 million increase (2.8%) in 1981 vs. 1980 and indicates we have been successful in containing cost increases. Principal increases were a 7.0% cost-of-living pay increase for all District employees effective October 3, 1981, and energy cost increases. These were offset by a $45.9 million reduction in our estimated future costs of the District employees' disability compensation, attributable to successful adjudication and closure of 3,000 cases in the "pipeline" when the District assumed administration of this activity from the Federal DOL in January 1981.

The following table summarizes the expenditure data for 1982.

	1982 Amount ($ Millions)	Percent of Total	Percent Increase (Decrease) from 1981
Operating expenditures:			
Governmental direction and support	$ 63.5	3.1%	(15.9%)
Economic development and regulation	92.3	4.4	(4.7)
Public safety and justice	487.1	23.3	8.1
Public education	417.8	20.0	5.0
Human support services	605.2	29.0	(6.2)
Transportation services and assistance	127.8	6.1	12.3
Environmental services	44.8	2.2	11.8
	1,838.5	88.1	1.0
Debt service - Principal and interest	137.8	6.6	11.3
	1,976.3	94.7	1.7
Operating transfers to the Hospital, University and General Services Funds, principally to cover costs of those activities not recoverable through charges	111.4	5.3	(1.8)
	$2,087.7	100.0%	1.5%

Capital Projects Fund

During 1982, major capital projects expenditures were $159.6 million. Of this, $113.0 million was for general fixed assets, principally streets and bridges ($37.2 million) and Metro Construction ($15.8 million), and $39.4 million was for proprietary fixed assets, principally the Convention Center. The expenditures include $7.2 million which are not capitalized since they represented major repairs and remodeling to facilities already in operation.

Capital expenditures are recorded in the General Fixed Asset Account Group or in the Proprietary Fund to which they apply. The District is one of the few large governmental units to have adequate records of its fixed assets to permit an independent audit thereof.

Proprietary Funds

The District operates a number of proprietary funds as summarized below ($ millions).

	1982 Revenues	Income (Loss) Before Transfers 1982	Income (Loss) Before Transfers 1981	Operating Subsidy Transfers 1982	Operating Subsidy Transfers 1981
Water and Sewer	$ 83.0	(17.5)	(5.7)	0.5	—
General Hospital	44.1	(33.0)	(33.6)	31.4	29.8
Starplex	3.2	(0.4)	(0.2)	—	—
Convention Center	—	(1.0)	(0.4)	5.0	6.7
Lottery and Games	7.6	4.7	—	(4.2)	—
Internal Services	33.3	(27.5)	(23.4)	26.0	23.9
University	4.5	(52.0)	(51.0)	53.0	53.0
	$175.7	(126.7)	(114.3)	111.7	113.4

The Water and Sewer Fund sustained losses in both 1982 and 1981 because its operating costs have increased faster than rates. In addition, interest costs on borrowings for new construction have increased because the facilities are being substantially renovated. Wastewater treatment for the District, and a substantial portion of suburban Maryland and Virginia, is performed at Blue Plains, the world's largest wastewater treatment plant. Tertiary treatment processes at Blue Plains have been very costly in order to meet EPA's high wastewater effluent standards. Plans to reverse the loss trends include charging other District agencies for water and sewer services, making operating transfers, and increasing rates. Further, in 1983, the Fund should benefit from the 18,000 new meters installed in 1982.

The Hospital Fund operates the 415-bed District of Columbia General Hospital and is a major provider of health services to indigent patients. During 1982, revenue changed from an even split between patient revenues (Medicaid, Medicare and insurance) and a subsidy from the General Fund for 1981 to a 57%/43% split.

The Starplex Fund operates the R. F. Kennedy Stadium and the National Guard Armory. Its operations have produced modest losses. The principal tenant is the Washington Redskins, whose home games are played at the Stadium.

The Convention Center Fund has had only nominal operations to date and has a surplus attributable to the tax revenues designated for the Fund—hotel occupancy, and the surtax on corporate franchise and unincorporated business taxes transferred from the General Fund. These taxes are designed to pay the $21.4 million site acquisition costs. The Convention Center facility opened in January 1983.

The new lottery is accounted for in the Lottery and Games Fund. The lottery was launched successfully in August, producing a first year profit for the District of $4.7 million in only 45 days.

The District's principal Internal Services Fund, the General Services Fund, provides printing, repairs and maintenance, leasing and contracting services to District agencies. This Fund operated at a loss of $2.2 million in 1982. The accumulated deficit of $5.6 million at September 30, 1982, for the District's three internal service funds will be eliminated by adjustments in future billings to user departments.

The University Fund includes all operations of the University of the District of Columbia. UDC is the District's "land grant" institution and operates at three campuses—Van Ness Center, Mt. Vernon Square and Harvard Street. UDC provides low cost, higher education courses leading to certificate, bachelor and advanced degrees in arts, sciences, teacher education and special career education. Tuition, grants and research, and an operating subsidy from the General Fund provide UDC's revenues. Although tuition increased $1.7 million in 1982 over 1981, tuition funds only 6.6% of UDC's costs.

Trust Funds

The District's major trust funds are the Unemployment Compensation Fund operated by the District in the same manner as the 50 state unemployment compensation funds, and three retirement funds for police officers and fire fighters, public school teachers, and judges, respectively.

Pension Plans

All full-time District employees are covered by pension plans. The majority of District employees, approximately 27,300, participate in the Federal government's Civil Service Retirement System. This System requires the District government and employees each to contribute 7% of employee compensation, the same as Federal agencies. This amount ($34.0 million in 1982) together with 7% employee contributions is paid to the Federal Office of Personnel Management which is responsible for administering the System and disbursing benefits, which are determined by the Federal government.

A major financial commitment for the District is the funding of benefits for the three District-administered plans. There are 11,500 employees in these plans. The District has responsibility for establishing benefits and setting plan requirements. While these retirements systems were established in the early 1900's, adequate pension trust funds were never established. These plans were operated primarily on a "pay-as-you-go" basis prior to Home Rule. It was estimated that accrued benefits (the amount of funds needed to pay benefits already earned) as of Home Rule on January 1, 1975, were approximately $2 billion.

On November 17, 1979, Congress enacted Public Law 96-122 (the District of Columbia Retirement Reform Act), which established the three retirement trust funds. In recognition of a direct Federal responsibility for a portion of the $2 billion unfunded pension costs incurred prior to Home Rule in 1975, the Act provides for 25 annual Federal payments for $52 million a year during 1980 through 2004 (aggregating $1.3 billion). While the Act defines the minimum annual payment by the District to these plans through 2004, the District reflects the annual pension expense in accordance with generally accepted accounting principles on a normal cost basis and reflects the unfunded normal pension expense as a long-term liability ($1,201.3 million at September 30, 1982).

Unemployment Compensation

The Unemployment Compensation Fund operated at a deficit of $16.6 million in 1982 as compared to a $2.4 million deficit in 1981. The Fund benefited from a 1.2% and 0.6% Federal "piggy back tax" during 1982 and 1981, respectively (the tax applies to the Federal unemployment tax base). At September 30, 1982, the Fund had outstanding advances from the Federal Department of Labor of $41.4 million and a cumulative deficit of $32.2 million.

While the Unemployment Compensation Fund is administered by the District under Federal law, its deficit and loans are not obligations of the District government, but collectively of employers based in the District. The District, Federal and other governments are treated on a claims reimbursable basis.

Housing Finance Agency

During 1982, the Housing Finance Agency publicly sold its first bond issue for multiple housing. Since HFA's debt is secured solely by the mortgage revenues to be earned from borrowers and HFA's operating expenses will be principally funded from interest earnings, HFA is accounted for as a Trust Fund.

Debt Administration

Long-Term Debt

Through 1983, the District may obtain long-term financing from the U.S. Treasury. While the U.S. Treasury provides long-term financing without the usual issuance costs associated with governmental debt offerings, the interest rate charged the District reflects the cost of funds to the U.S. Treasury. During fiscal 1982, the rate the District was charged by the U.S. Treasury for new loans was 14.25% vs. 12.375% to 13.875% in 1981. These rates are 2-3% higher than regular municipal issuances during the same period as reflected in the Bond Buyers Index. We continue to believe that substantial interest savings may be achieved when the District issues debt in the public market at tax-exempt interest rates as compared to continued borrowings from the U.S. Treasury at taxable interest rates.

The following summarizes the District's general obligation long-term debt to the U.S. Treasury as of September 30, 1982 ($ millions).

General	$1,502.8
Water and Sewer Enterprise Debt	187.2
Total	$1,690.0

The foregoing $1,690.0 million in outstanding debt compares to $971.9 million when Home Rule commenced on January 2, 1975.

The Home Rule Act provides that the District's annual debt service cost may not exceed 14% of specified non-grant revenues. During fiscal 1982, the actual ratio was 8.0%, thereby placing the District's outstanding debt significantly below its ceiling. Other indicators of the District's long-term structure are the following.

	1982	1981
Ratio of debt to assessed property value	8.4%	10.0%
Debt per capita	$2,382	$2,218

Short-Term

The District has the ability to borrow from the U.S. Treasury to meet current cash requirements. These advances are used to meet seasonal cash needs, are interest-free and are normally repaid by the end of the fiscal year. During fiscal years 1982 and 1981, temporary advances of $140 and $80 million, respectively, were borrowed and repaid to the U.S. Treasury as of September 30. We project that short-term borrowings will approximate $150 million during 1983.

Cash Management

The District follows an aggressive cash management policy which involves continued monitoring of current and projected cash positions. Overnight investments are used to the maximum extent. We earned $14.1 million from our investments in 1982.

Summary Financial Activity

Many governments have experimented with summary financial data which present the government as a single financial entity. For the first time, we have included such data in this Report in Exhibit S-17. I believe this new summary will be useful to those interested in such data.

Independent Audit

District law (D.C. Code 47-119) requires an annual audit of the financial operations of the District government by an independent certified public accountant. The audit must be carried out in accordance with generally accepted auditing standards, and the financial statements must be prepared in conformity with generally accepted accounting principles. This requirement has been complied with and the auditors' opinion has been included in this Report. I am pleased to note that, as in prior years, our independent auditors' report is without qualification, the highest quality report possible from independent auditors.

Certificate of Conformance

This Report has been prepared following guidelines recommended by the Municipal Finance Officers Association of the United States and Canada. The Municipal Finance Officers Association awards Certificates of Conformance in Financial Reporting to those governments that publish easily readable and efficiently organized Comprehensive Annual Financial Reports whose contents conform to program's high standards. In September 1982, the District was awarded the Certificate by MFOA for the 1981 Report. Of the 80,000 units of government in the U.S., only 350 hold currently valid certificates. It is my belief that the current Report continues to conform to program requirements and I will submit it to the Municipal Finance Officers Association to determine its eligibility for a renewed Certificate.

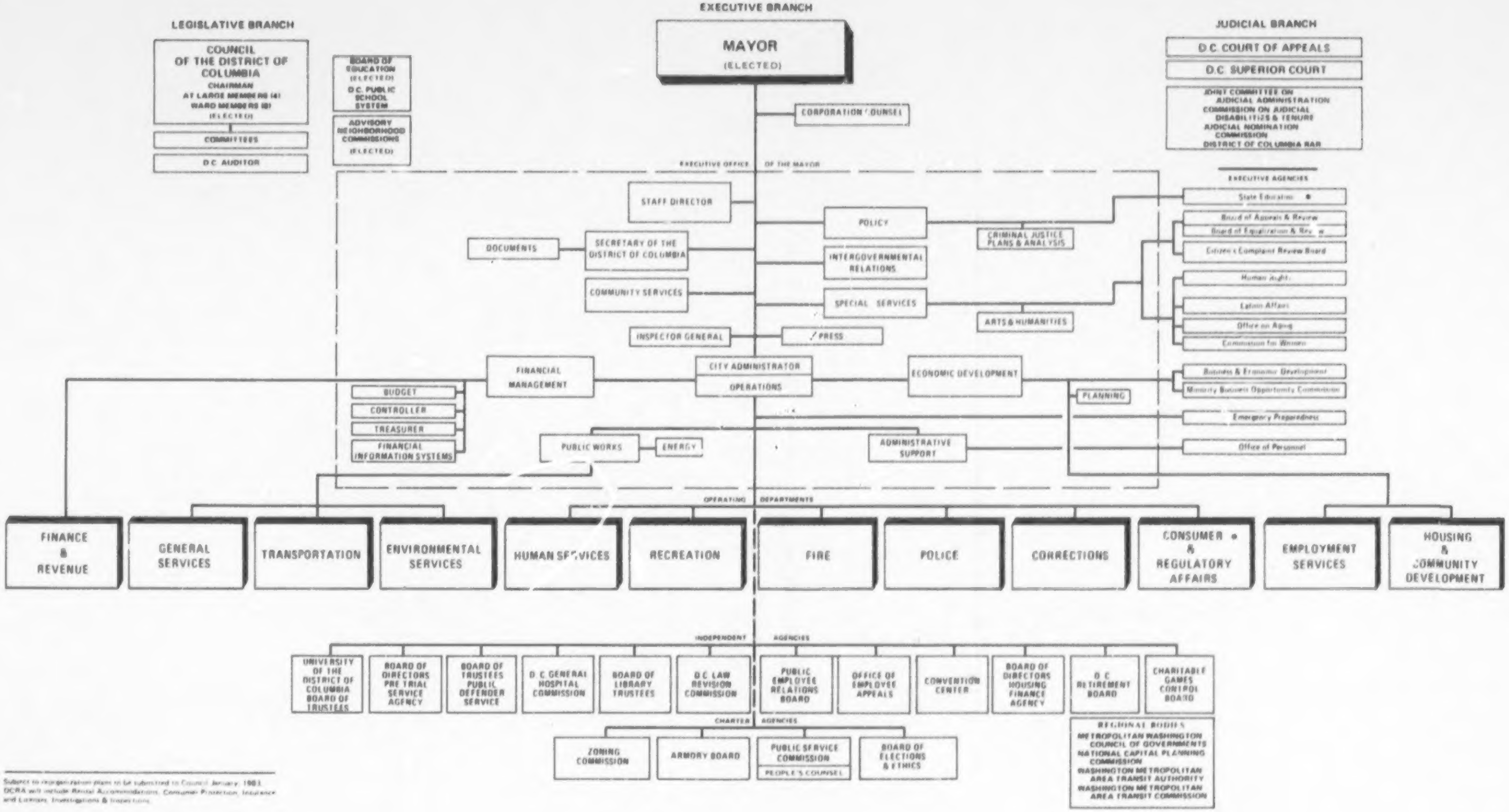
Acknowledgement

The preparation of this Report on a timely basis could not have been accomplished without the dedicated services of the entire staff of the Controller's Office. I should like to express my appreciation to all members of the staff who assisted and contributed to its preparation. The staff's efforts over the past four years toward upgrading the accounting and financial reporting systems of the District have led substantially to the improved quality of the information being reported to the citizens of the District, the President and the Congress.

Respectfully submitted,

Alphonse G Hill, CPA
Deputy Mayor for Finance

ORGANIZATION OF THE DISTRICT OF COLUMBIA GOVERNMENT


LEGISLATIVE BRANCH
COUNCIL OF THE DISTRICT OF COLUMBIA
CHAIRMAN
AT LARGE MEMBERS (4)
WARD MEMBERS (8)
(ELECTED)
COMMITTEES
D.C. AUDITOR
BOARD OF EDUCATION (ELECTED)
D.C. PUBLIC SCHOOL SYSTEM
ADVISORY NEIGHBORHOOD COMMISSIONS (ELECTED)
EXECUTIVE BRANCH
MAYOR (ELECTED)
CORPORATION COUNSEL
EXECUTIVE OFFICE OF THE MAYOR
STAFF DIRECTOR
DOCUMENTS
SECRETARY OF THE DISTRICT OF COLUMBIA
COMMUNITY SERVICES
INSPECTOR GENERAL
POLICY
INTERGOVERNMENTAL RELATIONS
SPECIAL SERVICES
PRESS
CRIMINAL JUSTICE PLANS & ANALYSIS
ARTS & HUMANITIES
FINANCIAL MANAGEMENT
BUDGET
CONTROLLER
TREASURER
FINANCIAL INFORMATION SYSTEMS
CITY ADMINISTRATOR
OPERATIONS
ECONOMIC DEVELOPMENT
PLANNING
PUBLIC WORKS
ENERGY
ADMINISTRATIVE SUPPORT
JUDICIAL BRANCH
D.C. COURT OF APPEALS
D.C. SUPERIOR COURT
JOINT COMMITTEE ON JUDICIAL ADMINISTRATION
COMMISSION ON JUDICIAL DISABILITIES & TENURE
JUDICIAL NOMINATION COMMISSION
DISTRICT OF COLUMBIA BAR
EXECUTIVE AGENCIES
State Education ●
Board of Appeals & Review
Board of Equalization & Review
Citizen's Complaint Review Board
Human Rights
Latino Affairs
Office on Aging
Commission for Women
Business & Economic Development
Minority Business Opportunity Commission
Emergency Preparedness
Office of Personnel
OPERATING DEPARTMENTS
FINANCE & REVENUE
GENERAL SERVICES
TRANSPORTATION
ENVIRONMENTAL SERVICES
HUMAN SERVICES
RECREATION
FIRE
POLICE
CORRECTIONS
CONSUMER ● & REGULATORY AFFAIRS
EMPLOYMENT SERVICES
HOUSING & COMMUNITY DEVELOPMENT
INDEPENDENT AGENCIES
UNIVERSITY OF THE DISTRICT OF COLUMBIA BOARD OF TRUSTEES
BOARD OF DIRECTORS PRE TRIAL SERVICE AGENCY
BOARD OF TRUSTEES PUBLIC DEFENDER SERVICE
D.C. GENERAL HOSPITAL COMMISSION
BOARD OF LIBRARY TRUSTEES
D.C. LAW REVISION COMMISSION
PUBLIC EMPLOYEE RELATIONS BOARD
OFFICE OF EMPLOYEE APPEALS
CONVENTION CENTER
BOARD OF DIRECTORS HOUSING FINANCE AGENCY
D.C. RETIREMENT BOARD
CHARITABLE GAMES CONTROL BOARD
REGIONAL BODIES
METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
NATIONAL CAPITAL PLANNING COMMISSION
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION
CHARTER AGENCIES
ZONING COMMISSION
ARMORY BOARD
PUBLIC SERVICE COMMISSION
PEOPLE'S COUNSEL
BOARD OF ELECTIONS & ETHICS

● Subject to reorganization plans to be submitted to Council January 1983. DCRA will include Rental Accommodations, Consumer Protection, Insurance and Licenses, Investigations & Inspections.

DISTRICT OF COLUMBIA

PRINCIPAL OFFICIALS

January 2, 1983

Marion S. Barry, Jr., Mayor* 1987

Executive Officers

Elijah B. Rogers	City Administrator/Deputy Mayor
Ivanhoe Donaldson	Deputy Mayor for Economic Development
Alphonse G Hill	Deputy Mayor for Finance
Judith W. Rogers	Corporation Counsel
Dwight S. Cropp	Secretary of the District of Columbia
Joyce Blalock	Inspector General
Jeffrey L. Humber, Jr.	Finance and Revenue Director (Acting)
Melvin W. Jones	Deputy Controller
Elizabeth Reveal	Budget Director

Council*

David A. Clarke	Chairman	1987
Betty Ann Kane	At Large	1987
Hilda H. Mason	At Large	1987
Jerry A. Moore, Jr.	At Large	1985
John Ray	At Large	1985
Frank Smith	Ward 1	1987
John A. Wilson	Ward 2	1985
Polly Shackleton	Ward 3	1987
Charlene Drew Jarvis	Ward 4	1985
William R. Spaulding	Ward 5	1987
Nadine P. Winter	Ward 6	1987
H. R. Crawford	Ward 7	1985
Wilhelmina J. Rolark	Ward 8	1985

Chief Judges

Theodore R. Newman, Jr.	Court of Appeals
H. Carl Moultrie, I	Superior Court

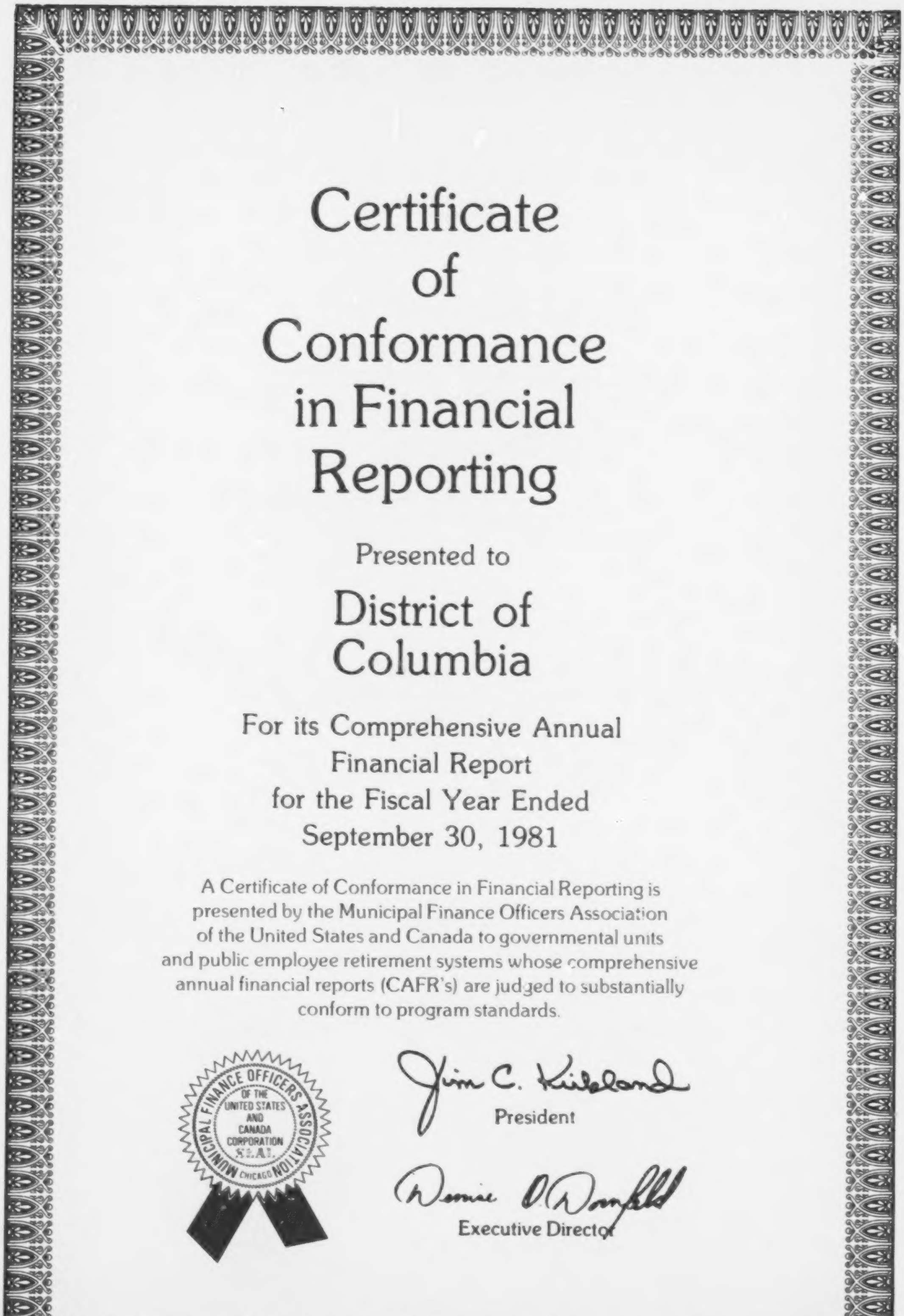
Delegate to House of Representatives**

Walter E. Fauntroy

---

* Elected to serve four-year term.

** Elected to serve two-year term.



Certificate of Conformance in Financial Reporting

Presented to

District of Columbia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 1981

A Certificate of Conformance in Financial Reporting is presented by the Municipal Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

Jim C. Kirkland
President

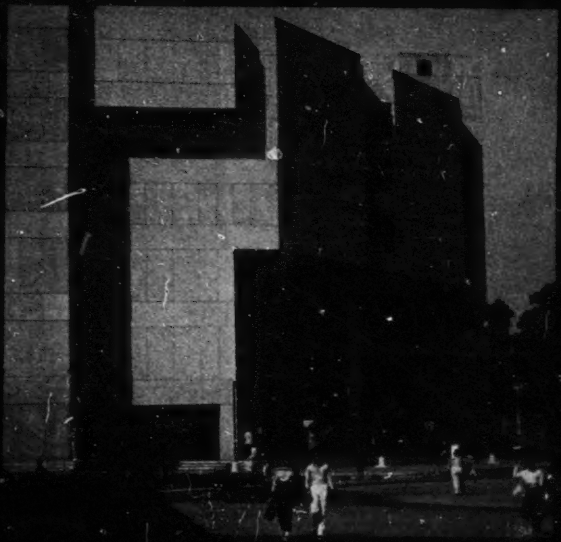
Executive Director

Georgetown Park

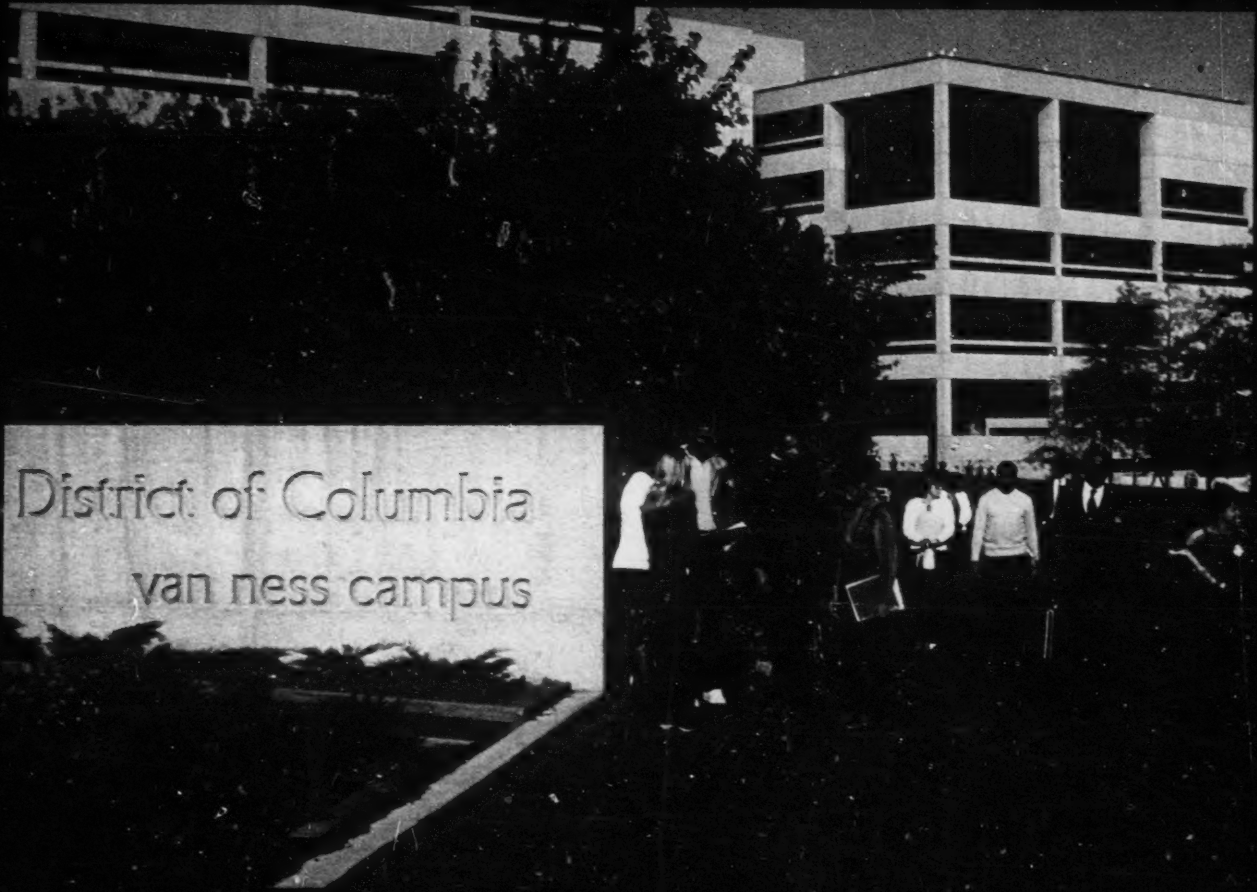
Financial Section

This section contains two subsections: General Purpose Financial Statements (Combined Statements—Overview) and Combining and Individual Fund Statements.

Eastern Market

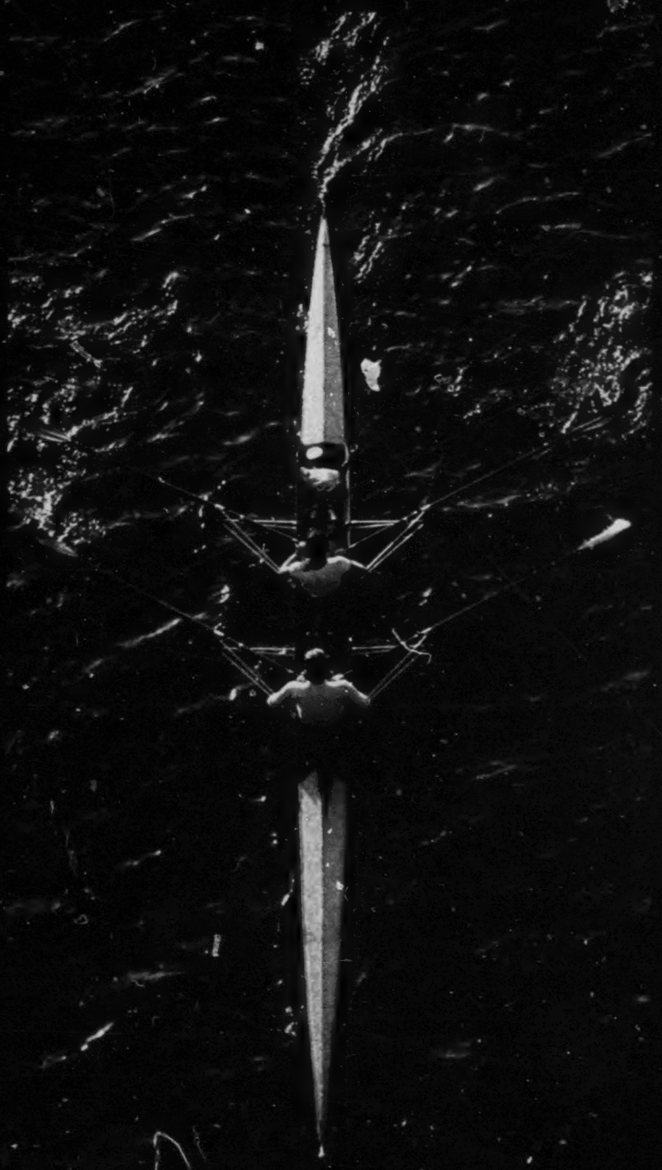


Francis Junior High School


District of Columbia
van ness campus

General Purpose Financial Statements (Combined Statements—Overview)

These basic financial statements provide a summary overview of the financial position of all fund types and account groups and of the operating results of all fund types.



East Potomac Park

Lucas,
Tucker & Co.

733 15th Street, N.W., Suite 926
Washington, D.C. 20005
(202) 659-2911

ARTHUR
ANDERSEN
&CO.

1666 K Street, N.W
Washington, D.C. 20006
(202) 862-3100

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

January 12, 1983

To the Mayor and Members of the
Council of the District of Columbia:

We have examined the general purpose financial statements of the District of Columbia as of September 30, 1982, and for the year then ended, listed as Exhibits 1 through 5 in the table of contents of this report. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the general purpose financial statements referred to above present fairly the financial position of the various funds and account groups of the District of Columbia as of September 30, 1982, and the results of their operations, changes in their retained earnings/fund balances and, for the proprietary fund types, changes in their financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements listed in the table of contents as Exhibits A-1 through F-3 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District of Columbia. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Lucas, Tucker & Co.

LUCAS, TUCKER & CO.

Arthur Andersen & Co.

ARTHUR ANDERSEN & CO.

DISTRICT OF COLUMBIA
ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET

September 30, 1982
($000s)

	Governmental Fund Types		Proprietary Fund Types			Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Capital Projects	University	Enterprise (Note 9)	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Liabilities	1982	1981
ASSETS										
Current Assets:										
Cash and Investments (Note 1)	$ 25,834	85,799	13,286	13,744	2,108	—	—	—	140,771	144,025
Receivables (net of allowances for uncollectibles)	108,332	—	993	51,748	417	—	—	—	161,490	143,469
Due from Federal government (Note 2)	79,291	24,963	2,310	2,154	—	—	—	—	108,718	117,160
Due from other funds (Note 3)	6,453	—	—	—	8,000	—	—	—	14,453	14,216
Advance to other funds	2,001	—	—	—	—	—	—	—	2,001	—
Inventory, at cost	10,830	1,552	51	5,879	2,626	—	—	—	20,938	21,121
Other current assets	1,250	97	3,330	1,607	—	—	—	—	6,284	4,401
Total current assets	233,991	112,411	19,970	75,132	13,151	—	—	—	454,655	444,392
Fixed Assets (Note 4):										
Property and equipment, at cost	—	—	106,699	632,627	3,458	—	2,551,377	—	3,294,161	3,094,330
Less - Accumulated depreciation	—	—	22,387	142,831	2,170	—	865,855	—	1,033,243	957,762
Net fixed assets	—	—	84,312	489,796	1,288	—	1,685,522	—	2,260,918	2,136,568
Restricted Assets:										
Cash and investments (Note 1)	—	—	7,397	—	—	315,573	—	—	322,970	213,194
Due from others (net of allowances for uncollectibles)	—	—	589	—	—	26,721	—	—	27,310	26,951
Due from Federal government (Note 2)	—	—	—	—	—	630,265	—	—	630,265	638,278
Due from other funds (Note 3)	—	—	—	—	—	11,554	—	—	11,554	11,034
Other restricted assets	—	—	—	—	—	1,046	—	—	1,046	—
Total restricted assets	—	—	7,986	—	—	985,159	—	—	993,145	889,457
Amount to be provided for retirement of general long term liabilities	—	—	—	—	—	—	—	2,785,167	2,785,167	2,584,905
Total assets	$233,991	112,411	112,268	564,928	14,439	985,159	1,685,522	2,785,167	6,493,885	6,055,322

The accompanying notes are an integral part of this statement.

Exhibit 1

	Governmental Fund Types		Proprietary Fund Types			Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Capital Projects	University	Enterprise (Note 9)	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Liabilities	1982	1981
LIABILITIES AND FUND EQUITY										
Current Liabilities:										
Due to Federal government (Note 2)	$119,129	—	—	26,479	—	—	—	—	145,608	130,223
Due to other funds (Note 3)	—	—	—	16,015	150	—	—	—	16,165	25,250
Accounts payable	122,011	22,322	1,543	27,504	11,889	—	—	—	185,269	203,532
Compensation liabilities	96,416	—	5,501	10,637	3,620	—	—	—	116,174	99,728
Accrued expenses	54,000	—	—	—	—	—	—	—	54,000	67,000
Deferred revenues	117,773	12,405	5,429	4,586	1,249	—	—	—	141,442	125,777
Other current liabilities	21,111	—	121	1,349	—	—	—	—	22,581	25,245
Total current liabilities	530,440	34,727	12,594	86,570	16,908	—	—	—	681,239	676,755
Long Term Liabilities:										
Due to Federal government (Note 2)	—	—	—	181,395	—	—	—	1,502,825	1,684,220	1,568,215
Advance from other funds	—	—	—	—	—	2,001	—	—	2,001	—
Other long term liabilities (Note 5)	—	—	535	—	—	—	—	1,282,342	1,282,877	1,181,883
Total long term liabilities	—	—	535	181,395	—	2,001	—	2,785,167	2,969,098	2,750,098
Liabilities Payable from Restricted Assets:										
Due to Federal government (Note 2)	—	—	—	—	—	41,395	—	—	41,395	51,258
Due to other funds (Note 3)	—	—	—	—	—	9,842	—	—	9,842	—
Due to others	—	—	—	—	—	81,738	—	—	81,738	53,863
Total restricted liabilities	—	—	—	—	—	132,975	—	—	132,975	105,121
Total liabilities	**530,440**	**34,727**	**13,129**	**267,965**	**16,908**	**134,976**	**—**	**2,785,167**	**3,783,312**	**3,531,974**
Commitments and Contingent Liabilities (Notes 11 and 12)										
Fund Equity:										
Contributed capital (Note 4)	—	—	83,777	323,320	3,159	—	—	—	410,256	364,551
Investment in general fixed assets (Note 4)	—	—	—	—	—	—	1,685,522	—	1,685,522	1,622,358
Retained earnings (deficit) since October 1, 1978	—	—	—	(26,357)	(5,628)	—	—	—	(31,985)	(15,906)
Fund balance:										
Reserved for:										
Advance to other funds	2,001	—	—	—	—	—	—	—	2,001	—
Encumbrances	21,194	77,684	—	—	—	—	—	—	98,878	95,826
Net restricted assets	—	—	7,986	—	—	852,184	—	—	860,170	773,302
Unreserved (deficit)	(319,644)	—	7,376	—	—	(2,001)	—	—	(314,269)	(316,783)
Total retained earnings/fund balance (deficit) (Note 8)	(296,449)	77,684	15,362	(26,357)	(5,628)	850,183	—	—	614,795	536,439
Total fund equity (deficit)	**(296,449)**	**77,684**	**99,139**	**296,963**	**(2,469)**	**850,183**	**1,685,522**	**—**	**2,710,573**	**2,523,348**
Total liabilities and fund equity	**$233,991**	**112,411**	**112,268**	**564,928**	**14,439**	**985,159**	**1,685,522**	**2,785,167**	**6,493,885**	**6,055,322**

Exhibit 2

DISTRICT OF COLUMBIA
ALL GOVERNMENTAL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended September 30, 1982
($000s)

	Governmental Fund Types		Totals (Memorandum Only)	
	General	Capital Projects	1982	1981
Revenues:				
Taxes	$1,172,721	—	1,172,721	1,078,830
Licenses and permits	29,661	—	29,661	29,245
Fines and forfeits	22,124	—	22,124	23,478
Charges for services	69,495	—	69,495	73,418
Miscellaneous	18,033	—	18,033	28,944
Intergovernmental (Note 10)	684,590	41,677	726,267	700,728
Total revenues	1,996,624	41,677	2,038,301	1,934,643
Expenditures:				
Current:				
Governmental direction and support	63,509	—	63,509	75,509
Economic development and regulation	92,250	—	92,250	96,807
Public safety and justice	487,119	—	487,119	450,526
Public education system	417,778	—	417,778	397,944
Human support services	605,205	—	605,205	645,192
Transportation services and assistance	127,806	—	127,806	113,777
Environmental services and supply	44,822	—	44,822	40,091
Capital outlays	—	159,640	159,640	114,963
Debt service:				
Principal	25,419	—	25,419	22,729
Interest	112,368	—	112,368	101,043
Total expenditures	1,976,276	159,640	2,135,916	2,058,581
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	20,348	(117,963)	(97,615)	(123,938)
Other Financing Sources (Uses):				
Proceeds of general fixed asset dispositions	2,966	—	2,966	2,060
Proceeds of general obligation notes	—	124,500	124,500	120,008
Employee benefits to be funded in future years	101,181	—	101,181	210,986
Operating transfers in (out)	(111,434)	—	(111,434)	(113,447)
Total other financing sources (uses)	(7,287)	124,500	117,213	219,607
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	**13,061**	**6,537**	**19,598**	**95,669**
Fund Balance (Deficit) at Beginning of Year	**(309,510)**	**71,147**	**(238,363)**	**(334,032)**
Fund Balance (Deficit) at End of Year	**$ (296,449)**	**77,684**	**(218,765)**	**(238,363)**

The accompanying notes are an integral part of this statement.

Exhibit 3

DISTRICT OF COLUMBIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND RECONCILIATION BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

Year Ended September 30, 1982
($000s)

	Budget	Actual (Note 1)	Variance-Favorable (Unfavorable)
Revenues:			
Taxes	$1,182,059	1,172,721	(9,338)
Licenses and permits	30,126	29,661	(465)
Fines and forfeits	23,130	22,124	(1,006)
Charges for services	25,233	26,691	1,458
Miscellaneous	23,409	20,372	(3,037)
Intergovernmental	355,612	355,256	(356)
Total revenues	1,639,569	1,626,825	(12,744)
Expenditures:			
Current:			
Governmental direction and support	65,293	64,170	1,123
Economic development and regulation	34,713	32,263	2,450
Public safety and justice	367,293	366,786	507
Public education system	348,499	348,189	310
Human support services	419,275	416,407	2,868
Transportation services and assistance	120,981	114,085	6,896
Environmental services and supply	32,886	32,740	146
Debt service:			
Principal	26,820	26,676	144
Interest	99,241	99,241	—
Total expenditures	1,515,001	1,500,557	14,444
EXCESS OF REVENUES OVER EXPENDITURES	124,568	126,268	1,700
Other Financing Sources (Uses):			
Operating transfers in (out)	(110,468)	(110,183)	285
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	$ 14,100	16,085	1,985
Reconciliation to GAAP Basis on Exhibit 2:			
1. Decrease in accruals including Medicaid ($4,292) and other ($19,746) less interest ($13,128) and other ($5,796)		5,114	
2. Grant and similar revenues ($372,766) less grant expenditures ($380,156)		(7,390)	
3. Outstanding encumbrances ($21,194) less expenditures against prior year encumbrances ($18,567)		2,627	
4. Decrease in inventory		(1,391)	
5. Payments of judgments		(1,984)	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		$ 13,061	

GAAP means "generally accepted accounting principles."

The acompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
ALL PROPRIETARY FUND TYPES AND TRUST FUNDS

Exhibit 4

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES

Year Ended September 30, 1982
($000s)

	Proprietary Fund Types			Fiduciary Fund Types	Totals (Memorandum Only)	
	University	Enterprise (Note 9)	Internal Service	Trust	1982	1981
Operating Revenues:						
Charges for services	$ 4,499	130,232	33,309	174	168,214	143,736
Gambling	—	7,601	—	—	7,601	—
Benefit contributions	—	—	—	302,091	302,091	228,850
Investment earnings	—	—	—	40,166	40,166	60,676
Total operating revenues	4,499	137,833	33,309	342,431	518,072	433,262
Operating Expenses:						
Personal services	51,439	77,810	24,489	262	154,000	137,795
Contractual services	3,921	40,620	11,256	319	56,116	40,927
Supplies	844	20,023	9,536	12	30,415	20,876
Occupancy costs	4,500	15,822	14,861	87	35,270	32,844
Depreciation	—	9,471	170	4	9,645	8,070
Benefit payments	—	—	—	267,426	267,426	239,387
Miscellaneous	7,163	8,932	474	55	16,624	17,005
Total operating expenses	67,867	172,678	60,786	268,165	569,496	496,904
OPERATING INCOME (LOSS)	(63,368)	(34,845)	(27,477)	74,266	(51,424)	(63,642)
Nonoperating Revenues (Expenses):						
Intergovernmental	6,506	—	—	—	6,506	4,775
Interest	1,525	(12,468)	—	(166)	(11,109)	(7,794)
Miscellaneous	3,351	—	—	—	3,351	2,485
Total nonoperating revenues (expenses)	11,382	(12,468)	—	(166)	(1,252)	(534)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(51,986)	(47,313)	(27,477)	74,100	(52,676)	(64,176)
Operating transfers in (out)	53,021	32,730	25,981	(298)	111,434	113,447
NET INCOME (LOSS)	**1,035**	**(14,583)**	**(1,496)**	**73,802**	**58,758**	**49,271**
Retained Earnings/Fund Balance (Deficit) at Beginning of Year	**14,327**	**(11,774)**	**(4,132)**	**776,381**	**774,802**	**725,531**
Retained Earnings/Fund Balance (Deficit) at End of Year	**$15,362**	**(26,357)**	**(5,628)**	**850,183**	**833,560**	**774,802**

The accompanying notes are an integral part of this statement.

Exhibit 5

DISTRICT OF COLUMBIA
ALL PROPRIETARY FUND TYPES

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended September 30, 1982
($000s)

	Proprietary Fund Types			Totals (Memorandum Only)	
	University	Enterprise (Note 9)	Internal Service	1982	1981
Cash and Investments at Beginning of Year	$ 4,226	15,986	10,022	30,234	10,568
Sources of Cash:					
Operations:					
Net income (loss)	1,035	(14,583)	(1,496)	(15,044)	(868)
Item not requiring cash - Depreciation	—	9,471	170	9,641	8,070
Cash provided by (used in) operations	1,035	(5,112)	(1,326)	(5,403)	7,202
Capital contributions	367	45,335	3	45,705	38,606
Increase (decrease) in due to Federal government	—	2,257	—	2,257	(1,703)
Increase (decrease) in due to other funds	—	1,351	—	1,351	14,814
Increase (decrease) in accounts payable	(1,684)	4,923	1,018	4,257	2,029
Increase (decrease) in compensation liabilities	359	1,723	341	2,423	1,058
Increase (decrease) in deferred revenues	(170)	2,195	—	2,025	(3,069)
Increase (decrease) in other current liabilities	37	849	1,249	2,135	(682)
Increase (decrease) in long term liabilities	(187)	16,924	—	16,737	10,734
Total sources of cash	(243)	70,445	1,285	71,487	68,989
Uses of Cash:					
Acquisition of fixed assets	180	70,599	48	70,827	59,486
Increase (decrease) in receivables	364	965	150	1,479	(2,138)
Increase (decrease) in due from Federal government	778	192	—	970	(3,286)
Increase (decrease) in due from other funds	(10,417)	—	7,850	(2,567)	(6,734)
Increase (decrease) in inventory	(19)	78	1,151	1,210	671
Increase (decrease) in other current assets	(220)	853	—	633	1,470
Increase (decrease) in net restricted assets	31	—	—	31	(146)
Total uses of cash	(9,303)	72,687	9,199	72,583	49,323
Cash and Investments at End of Year	$13,286	13,744	2,108	29,138	30,234

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA

NOTES TO FINANCIAL STATEMENTS

September 30, 1982

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Article I, Section 8 of the United States Constitution states, "The Congress shall have the power. . . to exercise exclusive legislation in all cases whatsoever, over such district (not exceeding ten miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the government of the United States. . ." The District of Columbia was created and became the Nation's Capital in 1800. Congress granted the District a Charter which went into effect on January 2, 1975 (the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973). An act of the Council, other than a budget act, becomes a law if it is not disapproved by a resolution of both Houses of Congress within 30 legislative days after it is adopted. The Council has no authority to impose any tax on the personal income of any individual who is not a resident of the District. Citizens of the District have the right to vote for President and Vice President of the United States but not for members of Congress. The judges of the District courts are appointed by the President with the advice and consent of the Senate.

The District operates under a Mayor-Council form of government with the Mayor serving as the chief executive officer. The District provides the following state, county and city services: judicial (courts), public safety (police, fire, corrections and regulatory affairs), public works (highways, streets, traffic control and sanitation), human services (health, welfare and employment services), leisure services (recreation and libraries), economic development (planning, zoning, urban renewal and housing), education (public schools) and general administrative services. In addition, the District operates a municipal university, a water and sewer utility service, a general hospital, a stadium and armory complex ("Starplex"), and a lottery. It is also constructing a convention center.

The accounting policies of the District of Columbia conform to generally accepted accounting principles as promulgated for governments by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants and the National Council on Governmental Accounting. The following is a summary of the more significant policies.

B. FUND ACCOUNTING

The accounts of the District are organized in funds and account groups, each of which is considered a separate accounting entity. The accompanying financial statements include all funds and account groups of the District.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. The various funds are grouped, in the accompanying financial statements, into six generic fund types and three broad fund categories as follows. (The District does not use Special Revenue, Debt Service or Special Assessment Funds because it has no activities which are required to be accounted for in these funds.)

Governmental Funds

The **General Fund** is used to account for all financial resources except those required to be accounted for in another fund. Principal and interest payments on general debt of the District are accounted for in the General Fund.

The **Capital Projects Fund** is used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Proprietary Funds

University Funds are used to account for operations of the University of the District of Columbia. The accounting policies of the University conform to those set forth in the American Institute of Certified Public Accountants' **Audits of Colleges and Universities.**

Enterprise Funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (including depreciation) of providing goods or services primarily or solely to the general public on a continuing basis be financed or recovered primarily through user charges. The accounting policies of the District of Columbia General Hospital conform to those set forth in the American Institute of Certified Public Accountants' **Hospital Audit Guide**.

Internal Service Funds are used to account for the financing of goods or services provided by one department primarily or solely to other departments of the District on a cost recovery basis.

Fiduciary Funds

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These include Pension Trust, Unemployment Compensation Trust, Housing Finance Trust and Agency Funds. Trust Funds are accounted for in essentially the same manner as proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

The **General Fixed Assets Account Group** is used to account for all fixed assets other than those used by proprietary funds.

The **General Long Term Liabilities Account Group** is used to account for long term liabilities intended to be financed from the General Fund.

C. MEASUREMENT FOCUS

The accounting and reporting treatment applied to the fixed assets and long term liabilities associated with a fund is determined by its measurement focus as follows.

Governmental funds are accounted for on a spending or "financial flow" measurement focus which means that only current assets, noncurrent advance to other funds and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Proprietary and Trust Funds are accounted for on a cost of services or "capital maintenance" measurement focus which means that all assets and liabilities (whether current or noncurrent) associated with their activities are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital (proprietary funds) and retained earnings or fund balance components. Proprietary and Trust Fund operating statements present increases (revenues) and decreases (expenses) in retained earnings or fund balance.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

Revenue Recognition

Governmental fund revenues are recognized when they become available and measurable. Available means collectible within the current year or within 60 days thereafter. The property tax year is from July 1 to June 30. Real property taxes are levied on July 1 and are payable in two installments on September 15 and March 31. Personal property taxes are due in full on August 15. The District recognizes as revenues in its fiscal year ending September 30, 75% of the property taxes levied on July 1 of the prior year and 25% of the property taxes levied on July 1 of the current year, provided they are available. Real property taxes attach as an enforceable lien on property as of July 1 of the year after levy. General sales taxes and other taxes collected or withheld at the source are recognized as revenues when in the hands of intermediary collecting agents. Taxpayer-assessed taxes on selective sales and use, income of individuals, corporations and unincorporated businesses, inheritance, estate and miscellaneous items are recognized as revenues when received unless the receipt is delayed beyond its normal time.

Allowances for taxes that will ultimately be uncollectible are estimated and recorded as reductions of revenues. Delinquent taxes incur interest and penalty charges which continue to accumulate until paid in full. Such amounts are billed and recorded as revenue. Costs incurred by the District in converting delinquent taxes into tax liens are added to the taxes receivable from delinquent taxpayers. Anticipated refunds of taxes are estimated based upon previous experience and are recorded as liabilities and reductions of revenues.

Grants that are restricted to specific uses are recognized as revenues when the related costs are incurred. Grants that are collected before the related costs have been incurred are reported as deferred revenues. Disallowances of grant expenditures are described in Note 12.

Water and sewer utility charges and other proprietary and trust fund revenues are recognized when they are earned and become measurable. The estimated amount of accounts receivable for goods or services sold but not billed is recorded at year end. Allowances for uncollectible accounts are estimated and recorded as expenses.

Expenditure and Expense Recognition

Expenditures and expenses, including interest and employee benefits such as vacations, pensions and disability benefits, are recognized when liabilities are incurred, if measurable. Current expenditures for employee benefits to be funded in future years are credited to "other financing sources" in the General Fund and recorded in the General Long Term Liabilities Account Group.

Interest on general obligation notes payable to the Federal government (see Note 5) is recognized in the fiscal year in which the liability is incurred because of the unusual terms of the notes. The first payment of principal and interest on a new note is due on October 1 of the second succeeding year after the proceeds are received. The interest due on the first payment date, which reflects 12 to 24 months of interest costs incurred, is approximately 60% of the total assets of the General Fund at year end. Subsequent annual payments are at a constant amount. Because of the extraordinarily long deferral of the first debt service payment and the material amount of interest incurred, the District records the interest on general obligation notes payable to the Federal government as a liability.

The District's policy is to allow vesting of employees' vacation pay but not sick pay. Accordingly, vacation pay is recorded as earned but sick pay is recorded as used (see Note 5).

The annual District contribution to the Pension Trust Funds, calculated in conformity with the Retirement Reform Act (see Note 6), is approximately 46% of the minimum contribution recommended by Accounting Principles Board Opinion No. 8, "Accounting for the Cost of Pension Plans." This underfunding increases the normal cost and the unfunded actuarial liability at each annual actuarial evaluation. The Act also stipulates that if, at any time, the fund balance of any Pension Trust Fund is not sufficient to meet all obligations against the Fund, the Fund shall have a claim on the revenues of the District to the extent necessary to meet such obligations. Due to the unusual contribution provisions of the Retirement Reform Act, the unfunded pension cost since 1975 is approximately 500% of the total assets of the General Fund at year end. In order to present fairly the financial position of the District government and to prevent its financial statements from being misleading, the District records the unfunded portion of its annual pension cost as a liability.

Disability compensation covers benefit payments for occupational injuries, deaths and diseases suffered by employees of the District government (see Note 7). The discounted present value of total estimated benefits to disabled employees which are payable in future years is actuarially determined annually. The discounted present value, which is approximately 30% of the total assets of the General Fund at year end, is recorded as a liability.

E. BUDGETING AND BUDGETARY CONTROL

Budgetary Procedures

The District follows these procedures in establishing the budgetary data for the General Fund reflected in the budgetary statement (Exhibit 3).

1. *Proposal*—Prior to January 5, the Mayor submits to the Council a proposed operating and capital budget for the fiscal year commencing the following October 1. The budget includes proposed obligations and the means of financing them. The budget embodies estimates of specific (fixed) dollar amounts and contains a request for a Federal payment in lieu of taxes (see Note 10).
2. *Projects*—The capital budget is prepared on a "project length basis" under which the total outlay for each project is estimated for the length of the project. A capital budget on an "annual period basis" is not legally enacted so that a budgetary comparison for the Capital Projects Fund cannot be presented in the budgetary statement (Exhibit 3).
3. *Adoption*—Public hearings are conducted by the Council to obtain taxpayer comments on the proposed budget. Prior to March 1, the budget is adopted by the Council through passage of a budget act which becomes an appropriation law when it is enacted by Congress. The Council may not adopt any budget in which expenditures and other financing uses exceed revenues and other financing sources for the District government as a whole.

4. *Approval*—Prior to April 1, the Mayor forwards the adopted budget to the President of the United States for approval. The Mayor may not forward any budget which is not balanced.
5. *Appropriation*—Prior to April 15, the President submits the approved budget to Congress who conducts public hearings and enacts the budget and the Federal payment in lieu of taxes through passage of an appropriation law.
6. *Amendment*—The Mayor is authorized to transfer budgeted amounts up to $25,000 between organizational units and budgeted amounts up to $50,000 between object categories within the same organizational unit. Any revisions that exceed these amounts must be approved by the Council. Any revisions that alter the total expenditures of any functional classification by more than $50,000 must be approved by Congress. The budgeted amounts in the budgetary statement (Exhibit 3) include the original and supplemental appropriation laws enacted by Congress for the fiscal year.
7. *Integration*—Formal budgetary integration by fund, source or object class and organization unit is employed as a management control device for the General and Capital Projects Funds.
8. *Compliance*—"Actual" expenditures and operating transfers out may not legally exceed "budget" appropriations for each of the nine functional classifications which are shown in the budgetary statement (Exhibit 3).

Budgetary Exceptions

Under the provisions of the Charter, the judicial and educational budgets are prepared differently from the budgets of the other organization units in the General Fund.

1. *Courts*—The Joint Committee on Judicial Administration consisting of five judges prepares and submits to the Mayor, for inclusion in the District's annual budget, estimates of expenditures necessary for the operation of the court system. The Mayor and Council may make recommendations to the President concerning the estimates but they have no authority to revise them.
2. *Schools*—Control of the elementary and secondary public schools is vested in a Board of Education consisting of eleven members elected by the citizens of the District. With respect to the annual budget for the schools, the Mayor and Council establish the maximum expenditures of the school system but may not specify the purposes or programs for which the money is to be spent. Such spending determination is made by the Board of Education.

Budgetary Basis

The legal authorization granted by Congress to incur obligations for specific purposes (the "appropriation") is enacted on a basis not consistent with generally accepted accounting principles (GAAP). The General Fund budgetary statement (Exhibit 3) includes a reconciliation of the "Excess of revenues and other sources over expenditures" on the non-GAAP budgetary basis with the "Excess of revenues and other sources over expenditures" shown in the governmental operating statement (Exhibit 2) on the GAAP basis. The significant differences between the non-GAAP budgetary basis and the GAAP basis are the following.

1. *Accruals*—The budgetary basis does not include accrued interest and expenditures represented by long term liabilities. The GAAP basis includes expenditures incurred in the current year but payable in future years such as interest, vacations, pensions and disability benefits.
2. *Grants*—The budgetary basis does not include expenditures funded by (a) Federal grants (except revenue sharing entitlements) because such expenditures are included in the appropriations of the Federal grantor agencies, (b) "grant-like" resources and (c) "offsetting collections." The GAAP basis includes all revenues from whatever source derived and both appropriation and nonappropriation expenditures.
3. *Obligations*—The budgetary basis is on the "obligations method" of accounting whereby expenditures are recognized when purchase orders and contracts are issued. Under the GAAP basis, expenditures are recognized when goods and services are received.
4. *Inventory*—The budgetary basis records inventory items such as materials and supplies as expenditures when they are purchased. The GAAP basis records inventory items as expenditures when they are consumed or sold.
5. *Judgments*—The appropriation authorizes the use of such sums as may be necessary for the payment of judgments which have been entered against the District government but does not appropriate a specific dollar amount. (An amount is appropriated for the settlement of claims and suits against the District.) Because no amount is appropriated for judgments, such expenditures are not included in the budgetary basis.

Encumbrances

Encumbrance reporting, under which purchase orders and contracts are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General and Capital Projects Funds. Encumbrances outstanding at year end are not included in expenditures and are reported as reservations of fund balances. No part of any appropriation normally remains available for obligation beyond the current fiscal year except for capital projects.

F. CASH AND INVESTMENTS

All cash is accounted for as part of the fund to which it belongs. However, a separate bank account is not maintained for each fund unless required by law. Any cash which is not needed for immediate disbursement is pooled to purchase short term investments. Governmental and proprietary fund investments are stated at cost which approximates market. Fiduciary fund investments are stated at market and include interest receivable.

G. INVENTORY

Inventory is stated at cost (first-in, first-out) which is not in excess of market. Inventory consists of materials and supplies held for consumption or sale. The cost is recorded as an expenditure or expense at the time individual inventory items are used or sold.

H. FIXED ASSETS

The District capitalizes fixed assets (including public domain or "infrastructure" assets) which have an acquisition cost of $500 or more per unit and a useful life of more than two years. Repairs and maintenance are charged to operations as incurred. Additions and betterments are capitalized. Costs of assets retired are removed from the asset and accumulated depreciation accounts.

Interest costs incurred during construction of fixed assets are capitalized as a part of construction costs. Interest to be capitalized is computed by applying the effective interest rate on the borrowings each year to the average balance of the costs incurred.

All fixed assets are included in the financial statements at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are recorded at their estimated fair value on the date donated.

Fixed assets used in governmental activities are recorded and accounted for in the General Fixed Assets Account Group. Costs to acquire such assets are charged as current expenditures or capital outlays, and proceeds from dispositions are credited as "other financing sources." Depreciation on general fixed assets is charged to Investment in General Fixed Assets and credited to Accumulated Depreciation in the General Fixed Assets Account Group. This depreciation is not recorded in the General Fund. Interest costs capitalized during construction of general fixed assets are charged to Property and Equipment and credited to Investment in General Fixed Assets in the General Fixed Assets Account Group. This capitalized interest has no effect on the General Fund where all debt service is recorded as an expenditure.

Fixed assets and accumulated depreciation associated with proprietary activities are included on proprietary fund balance sheets. Depreciation of proprietary fixed assets is charged as an operating expense (except in University Funds) and capitalized interest is not charged as an expense.

Depreciation has been provided over the estimated useful lives of fixed assets using the straight-line method. The estimated useful lives are as follows.

Streets and bridges	30 years
Storm drains	60 years
Water and sewer facilities	60 years
Buildings and fixtures	30-50 years
Furniture and equipment	3-15 years
Transit system investment	33 years

I. LONG TERM LIABILITIES

Long term debt expected to be financed from the General Fund is credited as "other financing sources" in the Capital Projects Fund when the proceeds are received and charged as expenditures in the General Fund when the debt service payments are made. Such debt is recorded and accounted for in the General Long Term Liabilities Account Group.

All long term liabilities associated with proprietary and fiduciary activities are included on their balance sheets.

J. RESTRICTED ASSETS AND LIABILITIES

All assets of fiduciary fund types are restricted as to use by legal or contractual requirements. The accompanying balance sheet segregates restricted assets, and liabilities which are payable from restricted assets, from assets which are unrestricted and therefore are available for general purposes. Any excess of restricted assets over liabilities payable from restricted assets is reported as a reservation of fund balance.

K. COMPARATIVE DATA

Summary comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the District's financial position and operations. Prior year totals by fund type have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

L. TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the General Purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation because interfund eliminations and other appropriate consolidating entries have not been made in the aggregation of these data.

(2) DUE FROM OR TO FEDERAL GOVERNMENT

Amounts due from or to the Federal government are included in the following categories in the accompanying balance sheet at September 30 ($000s).

	1982	1981
Current Assets (Note 10):		
Revenue sharing entitlements	$ 4,664	4,810
Operating grants	79,091	89,455
Capital grants	24,963	22,895
Total	**$ 108,718**	**117,160**
Restricted Assets:		
Future pension obligation (Note 6)	$ 616,276	628,029
Unemployment compensation reimbursements (Note 7)	389	349
Surtax on Federal unemployment tax (Note 7)	13,600	9,900
Total	**$ 630,265**	**638,278**
Current Liabilities (Note 5):		
Accrued interest payable - General	$ 119,129	106,001
Accrued interest payable - Enterprise	20,699	18,676
Current maturities of notes payable - Enterprise	5,780	5,546
Total	**$ 145,608**	**130,223**
Long Term Liabilities (Note 5):		
General obligation notes payable - Enterprise	$ 181,395	164,471
General obligation notes payable - General	1,502,825	1,403,744
Total	**$1,684,220**	**1,568,215**
Liabilities Payable From Restricted Assets:		
Unemployment compensation advances (Note 7)	$ 41,395	51,258

Receivables include amounts due from the Federal government for prison services and other transactions further described in Note 10. Accounts payable include amounts due to the Federal government for supplies purchased, prison services, water and sewer service advance payments, mental hospital services, and other transactions further described in Note 10. Compensation liabilities include amounts due to the Federal government for income taxes, Civil Service and Social Security withheld from employees and the District's matching contributions for such withholdings. Amounts contributed by the Federal government in grants which were used to finance the acquisition of fixed assets are described in Note 4.

(3) DUE FROM OR TO OTHER FUNDS

Individual fund interfund receivable and payable balances at September 30, 1982 are summarized below ($000s).

Fund	Interfund Receivables	Interfund Payables
General	$ 6,453	—
Water and sewer	—	16,000
Starplex	—	15
General services	8,000	—
Motor vehicle maintenance	—	150
Pension trust	11,554	—
Unemployment compensation trust	—	9,842
Total	**$26,007**	**26,007**

(4) FIXED ASSETS

A. GENERAL FIXED ASSETS

A summary of changes in general fixed assets and in investment in general fixed assets follows ($000s).

Asset Class	Balance October 1, 1981	Acquisitions	Transfers/ Retirements	Balance September 30, 1982
Land	$ 100,323	—	2,113	102,436
Streets and bridges	756,333	—	37,176	793,509
Storm drains	120,907	—	518	121,425
Buildings and fixtures	986,475	—	33,348	1,019,823
Furniture and equipment	103,211	11,082	(1,130)	113,163
Construction in progress	29,714	116,445	(89,336)	56,823
Transit system investment	328,438	—	15,760	344,198
Total	**2,425,401**	**127,527**	**(1,551)**	**2,551,377**
Less- Accumulated depreciation	803,043	65,017	(2,205)	865,855
Net general fixed assets	**$1,622,358**	**62,510**	**654**	**1,685,522**
Federal capital grants	$ 467,752	35,717	(20,405)	483,064
District resources	1,154,606	91,810	(43,958)	1,202,458
Total investment in general fixed assets	**$1,622,358**	**127,527**	**(64,363)**	**1,685,522**

Acquisitions consist of expenditures ($000s) from the Capital Projects Fund ($113,027), the General Fund ($11,082) and capitalized interest ($3,418).

The foregoing net cost of buildings and fixtures includes $212 million at September 30, 1982, and $213 million at September 30, 1981, for buildings which were constructed on land owned by the Federal government.

A schedule of changes in general fixed assets by function follows ($000s).

Function	Balance October 1, 1981	Acquisitions	Transfers/ Retirements	Balance September 30, 1982
Governmental direction and support	$ 71,884	355	3,096	75,335
Economic development and regulation	199,183	1,046	9,231	209,460
Public safety and justice	215,324	1,409	2,743	219,476
Public education system	534,277	2,831	5,436	542,544
Human support services	97,180	737	232	98,149
Transportation services and assistance	767,488	2,946	36,896	807,330
Environmental services and supply	181,913	1,758	14,391	198,062
Construction in progress	29,714	116,445	(89,336)	56,823
Transit system investment	328,438	—	15,760	344,198
Total	**$2,425,401**	**127,527**	**(1,551)**	**2,551,377**

B. PROPRIETARY FIXED ASSETS

A summary of proprietary fixed assets and contributed capital at September 30, 1982 follows ($000s).

Asset Class	University	Enterprise	Internal Service
Land	$ 8,729	23,243	8
Water and sewer facilities	—	440,538	—
Buildings and fixtures	79,487	66,958	719
Furniture and equipment	18,483	20,316	2,731
Construction in progress	—	81,572	—
Total	**106,699**	**632,627**	**3,458**
Less- Accumulated depreciation	22,387	142,831	2,170
Net proprietary fixed assets	**$84,312**	**489,796**	**1,288**
Federal capital grants	$ —	123,626	—
District resources	83,777	199,694	3,159
Total contributed capital	**$83,777**	**323,320**	**3,159**

A summary of changes in contributed capital during 1982 follows ($000s).

	University	Enterprise	Internal Service
Federal capital grants:			
Balance at beginning of year	**$ —**	**121,849**	**—**
Additional grants	—	4,013	—
Less- Depreciation	—	2,236	—
Balance at end of year	**$ —**	**123,626**	**—**
District resources:			
Balance at beginning of year	**$83,410**	**156,136**	**3,156**
Additional resources	3,873	43,558	3
Less- Depreciation	3,506	—	—
Balance at end of year	**$83,777**	**199,694**	**3,159**

C. CONSTRUCTION IN PROGRESS

At September 30, 1982 and 1981, the construction in progress of general and proprietary fixed assets was $138.4 million and $65.6 million, respectively. The major capital project at September 30, 1982 was the convention center described in the next paragraph. The remaining capital projects were additions and betterments to general governmental buildings and work for various departments of the District.

The cost of constructing the convention center was estimated at $98.7 million, $21.4 million for site acquisition and demolition, and $77.3 million for construction. The site cost, which was $23 million, was financed by borrowing from the Federal government and using the revenues from hotel occupancy taxes and franchise surtaxes to repay the loan over four years starting in 1979. At September 30, 1982, the site loan had been repaid. The construction costs are being financed by long term capital loans from the Federal government. The construction costs incurred to September 30, 1982 were $73 million.

D. TRANSIT SYSTEM INVESTMENT

Capital Outlays

The Washington Metropolitan Area Transit Authority was created in 1967, with the consent of Congress, by Maryland, Virginia and the District, to construct and operate a 101 mile, 86 station, rapid rail transit system, and to purchase and operate the area's privately owned buses. Construction began in 1967 and, as of September 30, 1982, 39 miles and 44 stations of the rail transit system were operational. Thirty-three miles and 21 stations were under construction or substantially complete at that date. Twelve miles and 9 stations were under final design. The remainder of the system, 17 miles and 12 stations, is expected to be completed by 1993.

The estimated total cost of constructing the rail transit system is $8.2 billion. An additional $60.4 million was incurred to purchase the area's privately owned bus companies in 1973.

Maryland, Virginia and the District make annual cash payments to the Transit Authority for capital purposes. The District paid $15.8 million in 1982 and $8.4 million in 1981 as its share of the capital outlays. The District's cumulative payments are reflected in the General Fixed Assets Account Group and are being amortized over 33 years, the estimated useful life of the assets. The District's share of capital outlays for the next five years is estimated to be as follows ($000s).

Year	Share of Estimated Capital Outlays
1983	$17,500
1984	28,100
1985	31,500
1986	13,100
1987	3,200

Debt Service

To finance construction, the Transit Authority issued $997 million of revenue bonds (at interest rates from 7.30% to 8.35%) which were guaranteed by the Federal government. The District's estimated share of the Transit Authority's principal and interest payments for these bonds is $410 million which will require a payment of $10 million in 1983 and between $10 million and $13 million annually from 1984 through 2014.

Operating Losses

For its fiscal years ended June 30, 1982 and 1981, the Transit Authority reported that operating expenses (including depreciation) exceeded operating revenues by $234.0 million and $213.8 million, respectively. The District paid $84 million in 1982 and $73 million in 1981 as its share of the operating losses. The District received Federal grants of $10 million in 1982 and $12 million in 1981 to assist in making these payments.

The District's share of the Transit Authority's predicted operating losses for the next five years, partially offset by anticipated Federal grants, is estimated to be as follows ($000s).

Year	Share of Estimated Operating Losses	Anticipated Federal Grants
1983	$ 82,256	6,120
1984	95,381	3,468
1985	100,959	—
1986	107,982	—
1987	145,325	—

The District's share of the Transit Authority's annual debt service and operating loss was reported as current expenditures of the transportation services in the General Fund.

Future Federal Grants

In 1980, Congress enacted legislation to provide the Transit Authority with up to $1.7 billion in Federal grants for additional construction costs subject to Maryland, Virginia and the District making matching grants of $425 million. The legislation also provided a Federal grant that would pay two-thirds of the debt service on the revenue bonds subject to the participating jurisdictions making matching grants of one-third. These grants were dependent upon each participating jurisdiction providing, through legislation, a stable and reliable source of funding for the required matching capital outlays, debt service and operating losses. The Secretary of Transportation has ruled that the area governments have set up such sources of funding.

School Transit Subsidy

In addition to the foregoing payments, the District pays an amount each year to the Transit Authority to subsidize school bus and rail service. The school transit subsidy paid by the District to the Transit Authority was $4.1 million in 1982 and $6.2 million in 1981. The subsidy payments were reported as current expenditures of the public education system in the General Fund.

E. DEPRECIATION AND INTEREST

The depreciation recorded on fixed assets and the interest costs capitalized during construction of fixed assets, by fund or account group, for 1982 follow ($000s).

Fund or Account Group	Depreciation Recorded	Interest Capitalized
University	$ 3,506	—
Water and sewer	8,108	836
General hospital	3,076	—
Starplex	517	—
Convention center	6	6,538
General services	109	—
Correctional industries	61	—
General fixed assets	65,017	3,418
Total	**$80,400**	**10,792**

Depreciation recognized in proprietary funds on fixed assets acquired through Federal grants and revenue sharing entitlements which were used for capital acquisitions was charged to Contributed Capital-Federal Capital Grants at the end of the fiscal year.

(5) LONG TERM LIABILITIES

A. LONG TERM DEBT

Long term debt consists of borrowings by the District from the Federal government for capital projects. The rate of interest approximates the cost of money to the Federal government at loan commencement. The average interest rate of the outstanding debt was 7.57% at September 30, 1982. The terms of the loans vary from 5 to 40 years depending upon the type of capital project. The loans are general obligation notes secured by the full faith and credit of the District (including the portion of the debt related to the Water and Sewer Enterprise Fund) with no pledge of property, sinking fund provisions, subordination, restrictive covenants or default provisions. No short term loans have been, or can be, refinanced through long term loans from the Federal government.

The following is a summary of long term loan transactions of the District with the Federal government ($000s).

	General	Enterprise	Total
Notes payable at October 1, 1981	**$1,403,744**	**170,017**	**1,573,761**
New note proceeds (14.25%)	124,500	20,500	145,000
Total	**1,528,244**	**190,517**	**1,718,761**
Less- Note payments	25,419	3,342	28,761
Notes payable at September 30, 1982	**1,502,825**	**187,175**	**1,690,000**
Deduct- Current liabilities	—	5,780	5,780
Long term liabilities	**$1,502,825**	**181,395**	**1,684,220**

The annual requirements to amortize the total loans outstanding at September 30, 1982, including interest payments, are as follows ($000s).

Year	Principal	Interest	Total
1983	$ 32,120	139,828	171,948
1984	31,692	138,846	170,538
1985	34,215	136,766	170,981
1986	36,411	134,474	170,885
1987	38,869	132,017	170,886
1988-1992	235,707	616,417	852,124
1993-1997	304,355	522,624	826,979
1998-2017	976,631	709,893	1,686,524
Total	**$1,690,000**	**2,530,865**	**4,220,865**

Assets are not being accumulated in a Debt Service Fund for general long term debt principal and interest payments maturing in future years. Interest was accrued on general long term debt as explained in Note 1.

B. NO COMMITMENT LONG TERM DEBT

The Redevelopment Land Agency and the National Capital Housing Authority, predecessor entities of the District, had outstanding debt of approximately $149 million at September 30, 1982 which is not included in the accompanying financial statements. The debt is guaranteed by the Federal government and is repayable solely from future Federal debt service grants to the District.

The District has issued $30 million in debt which is being used by a private university in the District to construct facilities. This debt is repayable solely from defined revenues of the university. In October 1982, similar debt of $25 million was issued for the same university. Neither issue is included in the accompanying financial statements.

In 1982, the Housing Finance Agency issued 40-year Multi-Unit Housing Program bonds in the principal amount of $57.5 million less a discount of $42.2 million. The net proceeds of $15.3 million is included in the amount due to others on the balance sheet of the Trust and Agency Funds. The bonds are payable solely from defined revenues and assets of the Agency and are not secured by the general credit of the Agency or the District.

At September 30, 1982, the Housing Finance Agency owed the General Fund $2 million which is reported in the "Advance from (to) other funds" accounts. The loan agreements provide for repayment within 15 years from the Agency's net income to the extent it is available outside of the lien of the indenture.

C. OTHER LONG TERM LIABILITIES

The following is a summary of net changes in other long term liabilities ($000s).

Account	Balance October 1, 1981	Net Additions (Deductions)	Balance September 30, 1982
Accumulated unpaid vacation (Note 1)	$ 10,000	2,566	12,566
Accrued pension costs (Note 6)	1,056,794	144,501	1,201,295
Accrued disability benefits (Note 7)	114,367	(45,886)	68,481
Miscellaneous	722	(187)	535
Total	**$1,181,883**	**100,994**	**1,282,877**

(6) PENSION PLANS

A. TYPES OF PLANS

All District employees are covered by one or more of six different pension plans: Federal Civil Service Retirement System, Federal Social Security System, Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) Retirement System, Judges' Retirement System, Police Officers and Fire Fighters' Retirement System, or Teachers' (public school) Retirement System.

Two plans (Federal Civil Service Retirement System and Federal Social Security System) are administered by the Federal government and cover approximately 39,900 employees; one plan (TIAA/CREF, which covers University teachers) is privately administered and covers approximately 1,200 employees; and three plans (Judges' Retirement System, Police Officers and Fire Fighters' Retirement System, and Teachers' Retirement System) are administered by the District and cover approximately 11,500 employees.

B. PLANS NOT ADMINISTERED BY THE DISTRICT

The District contributed $34.0 million in 1982 ($33.2 million in 1981) to the Federal Civil Service Retirement System, $4.3 million in 1982 ($4.1 million in 1981) to the Federal Social Security System and $3.5 million in 1982 ($3.6 million in 1981) to TIAA/CREF. These contributions were matched by employee contributions of 7% for Civil Service, 5% to 15% for TIAA/CREF, and the statutory rates for Social Security.

C. PLANS ADMINISTERED BY THE DISTRICT

The District sponsors the Judges', Police Officers and Fire Fighters', and Teachers' Retirement Systems. They are administered by a Retirement Board and accounted for as three separate Pension Trust Funds. The three retirement plans have defined benefits which increase semi-annually based upon the Consumer Price Index. Benefits are payable upon retirement or disability and refunds are made upon death or other termination. Employee contributions are 3.5% of salary for judges and 7% for police officers, fire fighters and teachers. Administrative costs of the Retirement Board are derived from appropriations of the General Fund and earnings of the Pension Trust Funds. The Retirement Board prepares and publishes an audited annual financial report for each Pension Trust Fund.

Federal Contribution

On January 2, 1975, when the District of Columbia Self-Government and Governmental Reorganizational Act became effective, the accrued actuarial liability for vested benefits under these plans was $1.9 billion. In recognition of this fact, the Retirement Reform Act (Public Law 96-122, approved November 17, 1979) authorized the Federal government to make 25 annual contributions of $52.1 million, starting in 1980, to the Pension Trust Funds. These contributions total $1.3 billion and had a present value in 1975 of $486.8 million, using a 7% rate of interest. Beginning in 1983, the annual Federal contribution to the Police Officers and Fire Fighters' Pension Trust Fund may be forfeited in any year during which disability retirements exceed certain limits. The present value of the future Federal obligation was $616 million at September 30, 1982. The amount is shown as due from the Federal government on the balance sheet of the Trust and Agency Funds.

District Contribution

The Retirement Reform Act also provided that, for each year before 2005, the District will pay to the Pension Trust Funds a sum equal to normal cost plus interest on the unfunded actuarial liability (past service costs) or net pay-as-you-go cost (benefit payments less employee contributions), whichever is less, plus annual amortization. An annual amount is calculated each year to amortize with interest, over a ten year period, the difference between the projected unfunded actuarial liability as of September 30, 2004 and the unfunded actuarial liability at September 30, 1979 increased by the inflation assumption to September 30, 2004. This annual amortization payment may not exceed 30% (10% for police officers and fire fighters) of the net pay-as-you-go cost. If this percentage limitation applies, it has the effect of extending the length of the amortization period beyond ten years. The 25 annual Federal contributions to the Pension Trust Funds will end in 2004. Beginning in 2005, the District's annual contributions to the Pension Trust Funds will increase to cover the then normal cost plus interest on the then unfunded actuarial liability. It is estimated that the unfunded actuarial present value of accumulated plan benefits will be $8.8 billion at September 30, 2004.

The District's contributions to the Pension Trust Funds for 1982 and 1981 were as follows ($000s).

	1982	1981
(1) Normal cost plus interest:		
Normal cost (estimate)	$ 89,300	92,900
Interest on unfunded actuarial liability	160,900	144,400
Total	**250,200**	**237,300**
(2) Net pay-as-you-go cost	**118,600**	**94,646**
(3) Mandatory contribution:		
Lesser of (1) or (2)	118,600	94,646
Add- Annual amortization (at 30% or 10%)	11,200	13,013
Subtotal	**129,800**	**107,659**
(4) Nonmandatory contribution	**5,980**	**—**
District contribution	**$135,780**	**$107,659**

Annual amortization over ten years would have been $23.2 million in 1982 and $20.7 million in 1981.

Annual Pension Cost

Pension costs for 1982 and 1981 were calculated in accordance with Accounting Principles Board Opinion No. 8 as follows ($000s).

	1982	1981
Normal cost (actual)	$ 85,527	81,137
Interest on accrued pension costs	72,364	61,793
Interest on unfunded actuarial liability at 1/2/75 (7%)	83,360	86,280
Amortization of unfunded actuarial liability at 1/2/75 (over 20 or 25 years from 1976)	44,660	41,740
Amortization of actuarial losses (gains)	(5,630)	(2,137)
Total	**$280,281**	**268,813**

The annual pension cost, less the District contribution, was added to the accrued pension costs included in the General Long Term Liabilities Account Group (Note 5). There was no offsetting accrued pension asset on the balance sheet of the Trust and Agency Funds because the accrued pension costs were unfunded.

Actuarial Liability

In December 1982, the actuarial present value of accumulated benefits to participants of the plans and the net assets available for those benefits at September 30, 1982 were calculated as follows ($000s).

Vested accumulated benefits	$3,529,848
Nonvested accumulated benefits	32,836
Actuarial present value of accumulated benefits	**$3,562,684**
Net assets available	**$ 882,966**

Changes in Restricted Cash and Investments

A summary of changes in the restricted cash and investments of the Pension Trust Funds follows ($000s).

	1982	1981
Cash and investments at beginning of year	**$163,435**	**111,195**
Net income	90,949	52,496
Increase (decrease) due to others (retirees)	807	(145)
Decrease in due from Federal government	11,753	10,984
Total sources of cash	**103,509**	**63,335**
Increase in due from others (employees)	431	136
Increase in due from other funds	520	10,959
Total uses of cash	**951**	**11,095**
Cash and investments at end of year	**$265,993**	**163,435**

(7) EMPLOYMENT SECURITY

A. UNEMPLOYMENT COMPENSATION

The District administers the Unemployment Compensation System pursuant to Federal law and approval of the Secretary of Labor. It is accounted for as a separate Unemployment Compensation Trust Fund. It pays statutory benefits to unemployed former employees of the District and Federal governments and private employers carrying on employment in the District. The Fund is administered by the Unemployment Compensation Board and all administrative costs of the program are paid by the General Fund and reimbursed by a Federal grant.

Unemployment contributions collected from private employers are deposited in either the United States Treasury or a Federal Reserve Bank. The District and Federal governments reimburse the Fund for benefits paid by it to their respective unemployed former employees.

If unemployment benefit payments exceed the cumulative amount of contributions paid by private employers, the Fund receives advances to cover the deficiency from the Federal government. All advances will be repaid by subsequent private employer contributions or by a surtax on Federal unemployment taxes levied upon private employers. Advances are not general obligations of the District and they will not be repaid from any source other than unemployment contributions. Interest is charged (at the prevailing rate) on advances made after March 31, 1982. Such interest must be paid from the General Fund because the Unemployment Compensation Trust Fund is prohibited from paying interest. The changes in the advances from the Federal government to the Unemployment Compensation Trust Fund were as follows ($000s).

	1982	1981
Advances payable at beginning of year	**$ 51,258**	**65,541**
Less- Payments	9,863	14,283
Advances payable at end of year	**$ 41,395**	**51,258**

An analysis of restricted amounts due from or to others at September 30, 1982 follows ($000s).

Account	Restricted Receivables	Restricted Payables
Claimants	$ 151	5,588
Employers	8,276	338
States	2,244	543
Total	**$ 10,671**	**6,469**

A summary of changes in the restricted cash of the Unemployment Compensation Trust Fund follows ($000s).

	1982	1981
Cash at beginning of year	**$ 18,033**	**29,927**
Increase (decrease) in due to others	(3)	1,684
Decrease in due from others	3,141	676
Increase in due to other funds	9,842	—
Decrease in due from other funds	—	2,541
Total sources of cash	**12,980**	**4,901**
Net loss	16,574	2,357
Decrease in due to Federal government	9,863	14,283
Increase in due from Federal government	3,740	155
Total uses of cash	**30,177**	**16,795**
Cash at end of year	**$ 836**	**18,033**

Cash on deposit with, and advances payable to, the Federal government are shown as restricted assets and liabilities payable from restricted assets, respectively, on the balance sheet of the Trust and Agency Funds.

B. DISABILITY COMPENSATION

The District administers the Disability Compensation System which covers occupational injury, death or disease involving employees of the District government. The system is accounted for in the General Fund. There is no separate governing board. The discounted present value of total estimated benefits to disabled individuals which are payable in future years is actuarially determined and accrued annually. The disability cases transferred by the Federal government to the District in January 1981 at a value of $48.6 million were closed, settled or adjudicated during 1982 for $2.7 million which accounted for most of the deductions from the accrued disability benefits reported in the General Long Term Liabilities Account Group (Note 5).

C. WORKERS' COMPENSATION

In July 1982, the Federal government transferred to the District the administration of the Workers' Compensation System which covers occupational injury, death or disease involving employees of private employers carrying on employment in the District. The system is accounted for in the General Fund. There is no separate governing board.

(8) RETAINED EARNINGS/FUND BALANCES OF INDIVIDUAL FUNDS

Retained earnings (deficits) of individual Enterprise and Internal Service Funds and fund balances (deficits) of individual Trust Funds at September 30 are summarized below ($000s).

Fund	1982	1981
Water and sewer	$ (35,730)	(18,739)
General hospital	(10,744)	(9,140)
Starplex	(2,580)	(2,213)
Convention center	22,284	18,318
Lottery and games	413	—
Total Enterprise	**$ (26,357)**	**(11,774)**
General services	$ (5,878)	(3,723)
Correctional industries	824	235
Motor vehicle maintenance	(574)	(644)
Total Internal Service	**$ (5,628)**	**(4,132)**
Pension	$882,966	792,017
Unemployment compensation	(32,210)	(15,636)
Housing Finance	(573)	—
Total Trust	**$850,183**	**776,381**

The deficit in the retained earnings of the Water and Sewer Fund will be reduced or eliminated by increasing the water rates, transferring money from the General Fund to the Water and Sewer Fund, and charging for water and sewer services used by each department of the District.

The deficit in the fund balance of the Unemployment Compensation Trust Fund will be reduced or eliminated by future unemployment contributions or surtaxes collected from private employers as explained in Note 7.

(9) SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Segment information for 1982 for each Enterprise Fund was as follows ($000s).

	Water and Sewer	General Hospital	Starplex	Convention Center	Lottery and Games	Total
Operating revenues:						
Gross	$ 82,965	89,940	3,188	—	15,811	191,904
Deductions	—	45,861 (a)	—	—	8,210 (b)	54,071
Operating expenses:						
Depreciation	5,872	3,076	517	6	—	9,471
All other	82,131	74,019	3,038	1,042	2,977	163,207
Operating income (loss)	(5,038)	(33,016)	(367)	(1,048)	4,624	(34,845)
Interest revenue (expense)	(12,503)	—	—	6	29	(12,468)
Operating transfers in (out)	550	31,412	—	5,008	(4,240)	32,730
Net income (loss)	(16,991)	(1,604)	(367)	3,966	413	(14,583)
Working capital (deficit)	(25,634)	12,026	823	934	413	(11,438)
Capital expenditures	23,529	4,154	97	42,819	—	70,599
Total assets	385,449	65,145	13,669	97,777	2,888	564,928
Long term liabilities	181,395	—	—	—	—	181,395
Capital contributions	1,777	954	—	42,604	—	45,335
Total fund equity	139,141	46,564	13,135	97,710	413	296,963

(a) Charity services, contract adjustments and bad debts. (b) Prizes and commissions.

(10) OTHER TRANSACTIONS WITH FEDERAL GOVERNMENT

A. PAYMENT IN LIEU OF TAXES

The Federal payment to the District is in lieu of taxes and for costs incurred by the District in its role as the Nation's Capital. The District includes a request for a payment in lieu of taxes in its annual budget as described in Note 1. The District received $336.6 million in 1982 and $304.7 million in 1981.

B. REVENUE SHARING ENTITLEMENTS

The District's revenue sharing entitlements were $18.7 million in 1982 and $19.2 million in 1981.

C. OPERATING GRANTS

The District participates in Federal grant-in-aid programs. A summary of revenues reported in the General Fund from major Federal operating grant programs, by function, follows ($000s).

Function	Program	1982	1981
Governmental direction	Various	$ 6,175	(1,037)
Economic development	Community development	14,117	18,911
	Public housing	23,721	16,046
	Other	9,715	15,130
Public safety	Various	1,435	2,664
Public education	Education Acts projects	27,552	25,726
	Impact aid	2,545	6,627
	Child nutrition	11,139	15,825
	Other	684	2,237
Human services	Medicaid	73,221	86,575
	Public assistance	42,145	64,779
	Comprehensive Employment and Training Act	16,560	30,978
	Unemployment compensation	5,941	4,924
	Employment services	6,772	4,628
	Other	83,468	57,092
Transportation services	Various	2,691	1,912
Environmental services	Various	1,453	1,503
Total		**$329,334**	**354,520**

D. CAPITAL GRANTS

Federal capital grants are used for the acquisition or construction of fixed assets. Capital grants, except for the Water and Sewer Enterprise Fund, are recorded as intergovernmental revenues in the Capital Projects Fund and as Investment in General Fixed Assets for general fixed assets or Contributed Capital for proprietary fixed assets. Capital grants to the Water and Sewer Enterprise Fund are recorded in its Fixed Assets and Contributed Capital accounts. A summary of revenues reported in the Capital Projects Fund from major Federal capital grant programs, by function, follows ($000s).

Function	Program	1982	1981
Governmental direction	Various	$ 218	2,135
Economic development	Public housing facilities	8,688	(2,609)
Public safety	Various	25	—
Human services	Various	449	—
Transportation services	Streets, bridges and transit	32,297	22,798
Total		**$41,677**	**22,324**

E. COMMERCIAL TRANSACTIONS

The District and Federal governments buy and sell goods and services to each other. Among these transactions were the following.

Supplies

The District purchased supplies from the Federal government in the amount of $6.8 million in 1982 and $8.2 million in 1981.

Prisons

The Federal government can house Federal prisoners in District prisons. The Federal government reimburses the District for such services at cost. The amount was $1.3 million in 1982 and $1.6 million in 1981. Similarly, judges in the District can, by Federal law, remand District prisoners to Federal prisons. The District reimburses the Federal government for such costs. The amount was $15.8 million in 1982 and $14.2 million in 1981.

Mental Hospital

The District purchases certain mental health services from Saint Elizabeths Hospital, a Federal institution. The amount was $22.9 million in 1982 and $21.3 million in 1981.

Aqueduct

The District pays all of the operating expenses and capital outlays of the Washington Aqueduct, a Federal facility, which is operated by the United States Army Corps of Engineers. The operating expenses were $10.9 million in 1982 and $11.2 million in 1981. The capital outlays are capitalized and depreciated over 60 years. These outlays were $9.9 million in 1982 and $3.6 million in 1981. The Federal government paid the District $13.5 million in 1982 and $8.1 million in 1981 in lieu of reimbursements for charges for water, water services and sanitary sewer services furnished to facilities of the Federal government. These operating revenues and the operating expenses and capital outlays were recorded in the Water and Sewer Enterprise Fund (Note 9).

F. SHORT TERM DEBT

The District borrowed money from the Federal government during the year on a non-interest bearing basis to meet seasonal cash flow requirements. During 1982 and 1981, the maximum amounts borrowed were $140 million and $80 million, respectively. These amounts were repaid before the end of each fiscal year.

(11) COMMITMENTS

The District leases facilities and equipment under operating lease agreements (there are no material capital leases), of which most equipment leases contain options to cancel at the end of each fiscal year. Rental expenditures were $23 million in 1982 and $14 million in 1981. Commitments under construction contracts are described in Note 4.

(12) CONTINGENT LIABILITIES

A. LITIGATION

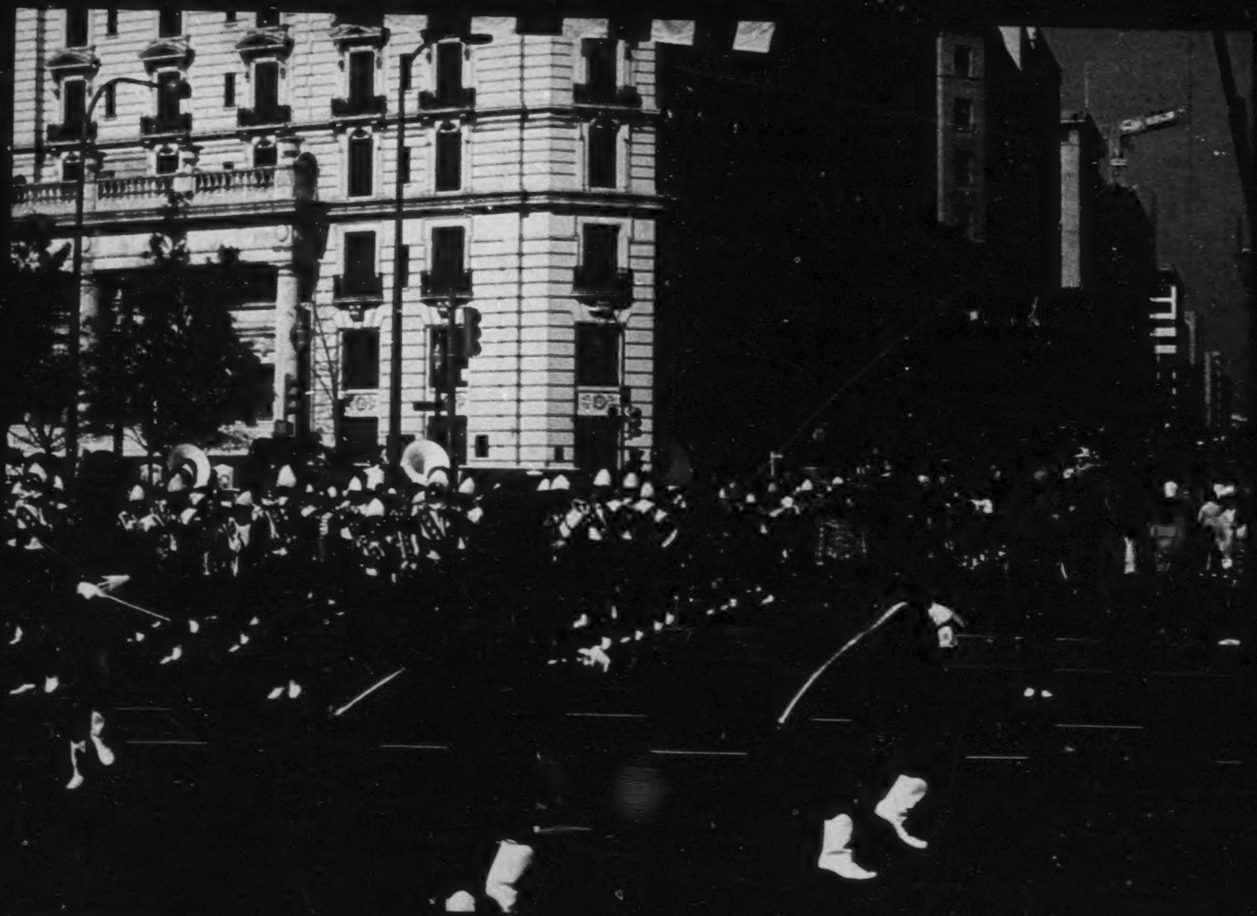
The District is a defendant in a number of pending lawsuits. An accrual has been provided which reasonably estimates the probable settlements of claims and suits and the payments of judgments against the District that may result from such litigation.

B. FEDERALLY ASSISTED PROGRAMS

The District participates in a number of Federally assisted grant programs as described in Note 10. These grants are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for the year ended September 30, 1982 have not yet been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. An accrual has been provided which reasonably estimates the probable amount of expenditures that may be disallowed by the granting agencies.

C. RISK POLICY

The District self-insures against all risks on an unfunded basis. Losses are recorded as incurred. No material losses occurred in 1982 or 1981.



Dunbar High School

ROCK CREEK PARK DAY
&
ART BARN'S
INTERNATIONAL

Combining and Individual Fund Statements

Where the District has more than one fund of a given type, combining statements for all funds of that type are presented in columnar format. Where the District has only one fund of a given type, individual fund statements are presented with prior year comparisons.

Robert F. Kennedy Stadium

GENERAL FUND

To account for all financial resources except those required to be accounted for in another fund. All fixed assets of the District government except those related to specific proprietary funds are accounted for through the General Fixed Assets Account Group. All long term liabilities of the District government except those related to specific proprietary funds are accounted for through the General Long Term Liabilities Account Group.

Exhibit A-1

DISTRICT OF COLUMBIA
GENERAL FUND

COMPARATIVE BALANCE SHEET

September 30, 1982 and 1981
($000s)

	1982	1981
ASSETS		
Current Assets:		
Cash and investments (Note 1)	$ 25,834	35,364
Receivables (net of allowances for uncollectibles)	108,332	91,790
Due from Federal government (Note 2)	79,291	92,072
Due from other funds (Note 3)	6,453	—
Advance to other funds	2,001	—
Inventory, at cost	10,830	12,221
Other current assets	1,250	—
Total assets	**$233,991**	**231,447**
LIABILITIES AND FUND BALANCE		
Current Liabilities:		
Due to Federal government (Note 2)	$119,129	106,001
Due to other funds (Note 3)	—	10,436
Accounts payable	122,011	150,145
Compensation liabilities	96,416	82,393
Accrued expenses	54,000	67,000
Deferred revenues	117,773	100,321
Other current liabilities	21,111	24,661
Total liabilities	**530,440**	**540,957**
Commitments and Contingent Liabilities (Notes 11 and 12)		
Fund Balance:		
Reserved for:		
Advance to other funds	2,001	—
Encumbrances	21,194	24,679
Unreserved (deficit)	(319,644)	(334,189)
Total fund balance (deficit)	**(296,449)**	**(309,510)**
Total liabilities and fund balance	**$233,991**	**231,447**

The accompanying notes are an integral part of this statement.

Exhibit A-2

DISTRICT OF COLUMBIA
GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Years Ended September 30, 1982 and 1981
($000s)

	1982	1981
Revenues:		
Taxes:		
Property	$ 325,121	259,125
Sales and use	382,315	377,227
Income and franchise	427,340	402,305
Other	37,945	40,173
Total taxes	1,172,721	1,078,830
Licenses and permits	29,661	29,245
Fines and forfeits	22,124	23,478
Charges for services	69,495	73,418
Miscellaneous	18,033	28,944
Intergovernmental (Note 10)	684,590	678,404
Total revenues	1,996,624	1,912,319
Expenditures:		
Current:		
Governmental direction and support	63,509	75,509
Economic development and regulation	92,250	96,807
Public safety and justice	487,119	450,526
Public education system	417,778	397,944
Human support services	605,205	645,192
Transportation services and assistance	127,806	113,777
Environmental services and supply	44,822	40,091
Debt service:		
Principal	25,419	22,729
Interest	112,368	101,043
Total expenditures	1,976,276	1,943,618
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	20,348	(31,299)
Other Financing Sources (Uses):		
Proceeds of general fixed asset dispositions	2,966	2,060
Employee benefits to be funded in future years	101,181	210,986
Operating transfers in (out)	(111,434)	(113,447)
Total other financing sources (uses)	(7,287)	99,599
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	**13,061**	**68,300**
Fund Balance (Deficit) at Beginning of Year	**(309,510)**	**(377,810)**
Fund Balance (Deficit) at End of Year	**$ (296,449)**	**(309,510)**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
GENERAL FUND

Exhibit A-3

STATEMENT OF EXPENDITURES BY FUNCTION

Year Ended September 30, 1982
With Comparative Totals for Year Ended September 30, 1981
($000s)

Function	Personal Services	Contractual Services	Supplies	Occupancy Costs	Miscel-laneous	Totals	
						1982	1981
Governmental direction and support:							
Corporation counsel	$ 5,752	486	38	74	192	6,542	5,536
Finance and revenue	11,999	1,295	144	157	363	13,958	12,604
Financial management	8,037	947	389	703	3,009	13,085	25,204
Personnel	10,169	412	90	126	257	11,054	9,677
Council	3,800	471	66	111	190	4,638	3,924
Claims and judgments	—	—	—	—	(8,336)	(8,336)	4,811
Other	10,919	9,231	161	398	1,859	22,568	13,753
Total	50,676	12,842	888	1,569	(2,466)	63,509	75,509
Economic development and regulation:							
Housing and community development	25,726	11,553	965	18,079	20,681	77,004	84,372
Other	11,842	2,011	212	556	625	15,246	12,435
Total	37,568	13,564	1,177	18,635	21,306	92,250	96,807
Public safety and justice:							
Corrections	47,542	1,459	8,591	7,504	19,933	85,029	72,979
Courts	29,778	9,683	292	388	1,676	41,817	41,396
Fire	103,497	955	896	1,215	596	107,159	99,124
Police	236,213	2,562	2,334	2,391	2,027	245.527	230,123
Other	3,347	435	64	134	3,607	7,587	6,904
Total	420,377	15,094	12,177	11,632	27,839	487,119	450,526
Public education system:							
Libraries	8.311	564	154	1,308	986	11.323	11,070
Schools	351,167	12,131	12,437	16,203	9,089	401,027	384,429
Other	354	63	6	44	4,961	5,428	2,445
Total	359,832	12,758	12,597	17,555	15,036	417,778	397,944
Human support services:							
Employment services	20,767	14,661	286	1,896	13,073	50,683	46,615
Human services	145,959	29,944	8,305	12,770	327,388	524,366	499,249
Recreation	18,118	1,542	1,220	1,099	610	22,589	22,123
Other	(33,026)	5,746	22	243	34,582	7,567	77,205
Total	151,818	51,893	9,833	16,008	375,653	605,205	645,192
Transportation services and assistance:							
Transportation	26,228	12,877	1,321	13,202	1,825	55,453	50,817
Transit Authority	—	—	—	—	72,274	72,274	62,886
Other	—	—	—	—	79	79	74
Total	26,228	12,877	1,321	13,202	74,178	127,806	113,777
Environmental services and supply:							
Environmental services	29,097	6,824	2,842	2,116	3,943	44,822	40,091
Debt service	—	—	—	—	137,787	137,787	123,772
Total	**$1,075,596**	**125,852**	**40,835**	**80,717**	**653,276**	**1,976,276**	**1,943,618**

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUND

To account for the purchase or construction of major capital facilities which are not financed by proprietary funds. The Capital Projects Fund is not used to account for the acquisition of furniture, fixtures, machinery, equipment and other relatively minor or comparatively short-lived general fixed assets. Such items are financed directly from current revenues of the General Fund and they are accordingly accounted for as current expenditures of that Fund.

Exhibit B-1

DISTRICT OF COLUMBIA
CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET

September 30, 1982 and 1981
($000s)

	1982	1981
ASSETS		
Current Assets:		
Cash	$ 85,799	78,427
Due from Federal government (Note 2)	24,963	21,594
Due from other funds (Note 3)	—	3,649
Inventory, at cost	1,552	1,554
Other current assets	97	97
Total assets	**$112,411**	**105,321**
LIABILITIES AND FUND BALANCE		
Current Liabilities:		
Accounts payable	$ 22,322	16,708
Deferred revenues	12,405	17,466
Total liabilities	**34,727**	**34,174**
Commitments and Contingent Liabilities (Notes 11 and 12)		
Fund Balance:		
Reserved for encumbrances	77,684	71,147
Total liabilities and fund balance	**$112,411**	**105,321**

The accompanying notes are an integral part of this statement.

Exhibit B-2

DISTRICT OF COLUMBIA
CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Years Ended September 30, 1982 and 1981
($000s)

	1982	1981
Revenues:		
Intergovernmental (Note 10)	$ 41,677	22,324
Expenditures:		
Capital outlays:		
Capitalized:		
General fixed assets	113,027	72,047
Proprietary fixed assets	39,439	26,643
Not capitalized	7,174	16,273
Total expenditures	159,640	114,963
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(117,963)	(92,639)
Other Financing Sources:		
Proceeds of general obligation notes	124,500	120,008
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	6,537	27,369
Fund Balance at Beginning of Year	71,147	43,778
Fund Balance at End of Year	$ 77,684	71,147

The accompanying notes are an integral part of this statement.

UNIVERSITY FUNDS

The University of the District of Columbia is a land-grant institution offering higher education to the general public. The University is governed by a Board of Trustees. Eleven members of the Board are appointed by the Mayor with the consent of the Council, one member is a full-time student, and three members are appointed by the alumni associations.

The accounting and reporting of the University is in conformity with generally accepted accounting principles promulgated by the American Institute of Certified Public Accountants in its **Audits of Colleges and Universities.** The University uses fund accounting and the accrual basis of accounting. Depreciation of property and equipment is not charged to operations. It is recorded by charging Contributed Capital and crediting Accumulated Depreciation.

The University records its operations in three fund types: current (unrestricted and restricted), fiduciary (loan and endowment) and plant (fixed assets). The totals of accounts in these three fund types are shown in one column in the accompanying combined and individual fund financial statements. The fund equity of the University is reported as Contributed Capital (investment in net plant) and Fund Balance.

Exhibit C-1

DISTRICT OF COLUMBIA
UNIVERSITY FUNDS

COMPARATIVE BALANCE SHEET

September 30, 1982 and 1981
($000s)

	1982	1981
ASSETS		
Current Assets:		
Cash and investments (Note 1)	$ 13,286	4,226
Receivables		
(net of allowances for uncollectibles)	993	629
Due from Federal government (Note 2)	2,310	1,532
Due from other funds (Note 3)	—	10,417
Inventory, at cost	51	70
Other current assets	3,330	3,550
Total current assets	19,970	20,424
Fixed assets (Note 4):		
Property and equipment, at cost	106,699	103,440
Less- Accumulated depreciation	22,387	19,308
Net fixed assets	84,312	84,132
Restricted Assets:		
Cash and investments (Note 1)	7,397	7,247
Due from others		
(net of allowances for uncollectibles)	589	708
Total restricted assets	7,986	7,955
Total assets	**$112,268**	**112,511**
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts payable	$ 1,543	3,227
Compensation liabilities	5,501	5,142
Deferred revenues	5,429	5,599
Other current liabilities	121	84
Total current liabilities	12,594	14,052
Long Term Liabilities:		
Other long term liabilities (Note 5)	535	722
Total liabilities	**13,129**	**14,774**
Commitments and Contingent Liabilities (Notes 11 and 12)		
Fund Equity:		
Contributed capital (Note 4)	83,777	83,410
Fund balance:		
Reserved for net restricted assets	7,986	7,955
Unreserved	7,376	6,372
Total fund balance	15,362	14,327
Total fund equity	**99,139**	**97,737**
Total liabilities and fund equity	**$112,268**	**112,511**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
UNIVERSITY FUNDS

Exhibit C-2

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

Years Ended September 30, 1982 and 1981
($000s)

	1982	1981
Operating Revenues:		
Charges for services	$ 4,499	2,800
Operating Expenses:		
Personal services	51,439	47,928
Contractual services	3,921	3,853
Supplies	844	652
Occupancy costs	4,500	3,991
Miscellaneous	7,163	5,965
Total operating expenses	67,867	62,389
OPERATING INCOME (LOSS)	(63,368)	(59,589)
Nonoperating Revenues:		
Intergovernmental	6,506	4,775
Interest	1,525	1,325
Miscellaneous	3,351	2,485
Total nonoperating revenues	11,382	8,585
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(51,986)	(51,004)
Operating transfers in	53,021	52,996
NET INCOME	**1,035**	**1,992**
Fund Balance at Beginning of Year	**14,327**	**12,335**
Fund Balance at End of Year	**$15,362**	**14,327**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
UNIVERSITY FUNDS

Exhibit C-3

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION

Years Ended September 30, 1982 and 1981
($000s)

	1982	1981
Cash and Investments at Beginning of Year	$ 4,226	3,260
Sources of Cash:		
Operations:		
Net income	1,035	1,992
Capital contributions	367	6,557
Increase (decrease) in accounts payable	(1,684)	661
Increase (decrease) in compensation liabilities	359	328
Increase (decrease) in deferred revenues	(170)	362
Increase (decrease) in other current liabilities	37	(182)
Increase (decrease) in long term liabilities	(187)	76
Total sources of cash	(243)	9,794
Uses of Cash:		
Acquisition of fixed assets	180	6,633
Increase (decrease) in receivables	364	56
Increase (decrease) in due from Federal government	778	(3,975)
Increase (decrease) in due from other funds	(10,417)	5,495
Increase (decrease) in inventory	(19)	11
Increase (decrease) in other current assets	(220)	754
Increase (decrease) in net restricted assets	31	(146)
Total uses of cash	(9,303)	8,828
Cash and Investments at End of Year	$13,286	4,226

The accompanying notes are an integral part of this statement.

ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business enterprises—where the intent is that the expenses (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges.

The **Water and Sewer Fund** is used to account for the provision of water and sewer services to residents of the District. All activities necessary to provide such services are accounted for in this Fund, including administration, operations, maintenance, debt service, billing and collecting.

The **General Hospital Fund** is used to account for the costs of providing medical and surgical treatment to sick and injured residents by the District of Columbia General Hospital. The Hospital is governed by eleven Commissioners appointed by the Mayor with the consent of the Council. The accounting and reporting of the Hospital is in conformity with generally accepted accounting principles promulgated by the American Institute of Certified Public Accountants in its **Hospital Audit Guide.**

The **Starplex Fund** is used to account for maintaining and operating the District of Columbia National Guard Armory to provide facilities for the quartering and training of the National Guard and for major athletic events, conventions, concerts and other activities; and for maintaining and operating the Robert F. Kennedy Memorial Stadium for athletic and other events. The Armory and Stadium are governed by a three member Armory Board, two of whose members are appointed by the Mayor with the consent of the Council. The third member is the commanding general of the District of Columbia National Guard.

The **Convention Center Fund** is used to account for maintaining and operating the Washington Convention Center for local public shows and exhibitions, civic and community events and gatherings, athletic and cultural events, entertainment and other activities. The Convention Center is governed by five Directors appointed by the Mayor with the consent of the Council. The Convention Center opened for business on January 5, 1983.

The **Lottery and Games Fund** is used to account for revenues from lotteries and daily numbers games operated by the District of Columbia and from licenses to conduct bingo games and raffles, and related prizes, expenses and capital outlays. Gambling activities are administered by a Lottery and Charitable Games Control Board consisting of five members appointed by the Mayor with the consent of the Council. All moneys made available to the Lottery and Games Fund by the General Fund must be derived from non-Federal revenues. The first lottery tickets were sold on August 25, 1982.

DISTRICT OF COLUMBIA
ENTERPRISE FUNDS

Exhibit D-1

COMBINING BALANCE SHEET

September 30, 1982
With Comparative Totals for September 30, 1981
($000s)

	Water and Sewer	General Hospital	Starplex	Convention Center	Lottery and Games	Totals	
						1982	1981
ASSETS							
Current Assets:							
Cash and Investments (Note 1)	$ 557	8,785	1,204	500	2,698	13,744	15,986
Receivables (net of allowances for uncollectibles)	31,842	19,747	125	—	34	51,748	50,783
Due from Federal government (Note 2)	2,116	38	—	—	—	2,154	1,962
Inventory, at cost	3,677	2,037	9	—	156	5,879	5,801
Other current assets	1,087	—	19	501	—	1,607	754
Total current assets	39,279	30,607	1,357	1,001	2,888	75,132	75,286
Fixed assets (Note 4):							
Property and equipment, at cost	458,886	54,721	22,238	96,782	—	632,627	561,707
Less- Accumulated depreciation	112,716	20,183	9,926	6	—	142,831	133,039
Net fixed assets	346,170	34,538	12,312	96,776	—	489,796	428,668
Total assets	**$385,449**	**65,145**	**13,669**	**97,777**	**2,888**	**564,928**	**503,954**
LIABILITIES AND FUND EQUITY							
Current Liabilities:							
Due to Federal government (Note 2)	$ 26,479	—	—	—	—	26,479	24,222
Due to other funds (Note 3)	16,000	—	15	—	—	16,015	14,664
Accounts payable	14,403	11,075	405	11	1,610	27,504	22,581
Compensation liabilities	3,002	7,502	114	3	16	10,637	8,914
Deferred revenues	4,529	4	—	53	—	4,586	2,391
Other current liabilities	500	—	—	—	849	1,349	500
Total current liabilities	64,913	18,581	534	67	2,475	86,570	73,272
Long Term Liabilities:							
Due to Federal government (Note 2)	181,395	—	—	—	—	181,395	164,471
Total liabilities	**246,308**	**18,581**	**534**	**67**	**2,475**	**267,965**	**237,743**
Commitments and Contingent Liabilities (Notes 11 and 12)							
Fund Equity:							
Contributed capital (Note 4)	174,871	57,308	15,715	75,426	—	323,320	277,985
Retained earnings (deficit) since October 1, 1978	(35,730)	(10,744)	(2,580)	22,284	413	(26,357)	(11,774)
Total fund equity	**139,141**	**46,564**	**13,135**	**97,710**	**413**	**296,963**	**266,211**
Total liabilities and fund equity	**$385,449**	**65,145**	**13,669**	**97,777**	**2,888**	**564,928**	**503,954**

The accompanying notes are an integral part of this statement.

Exhibit D-2

DISTRICT OF COLUMBIA
ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Year Ended September 30, 1982
With Comparative Totals for Year Ended September 30, 1981
($000s)

	Water and Sewer	General Hospital	Starplex	Convention Center	Lottery and Games	Totals	
						1982	1981
Operating Revenues:							
Charges for services	$ 82,965	44,079	3,188	—	—	130,232	114,285
Gambling	—	—	—	—	7,601	7,601	—
Total operating revenues	82,965	44,079	3,188	—	7,601	137,833	114,285
Operating Expenses:							
Personal services	23,807	52,419	1,111	263	210	77,810	66,237
Contractual services	27,236	8,512	1,541	634	2,697	40,620	30,401
Supplies	12,132	7,870	—	11	10	20,023	15,060
Occupancy costs	10,912	4,749	—	118	43	15,822	14,634
Depreciation	5,872	3,076	517	6	—	9,471	7,970
Miscellaneous	8,044	469	386	16	17	8,932	10,766
Total operating expenses	88,003	77,095	3,555	1,048	2,977	172,678	145,068
OPERATING INCOME (LOSS)	(5,038)	(33,016)	(367)	(1,048)	4,624	(34,845)	(30,783)
Nonoperating Revenues (Expenses):							
Interest	(12,503)	—	—	6	29	(12,468)	(9,119)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(17,541)	(33,016)	(367)	(1,042)	4,653	(47,313)	(39,902)
Operating transfers in (out)	550	31,412	—	5,008	(4,240)	32,730	36,494
NET INCOME (LOSS)	**(16,991)**	**(1,604)**	**(367)**	**3,966**	**413**	**(14,583)**	**(3,408)**
Retained Earnings (Deficit) at Beginning of Year	**(18,739)**	**(9,140)**	**(2,213)**	**18,318**	**—**	**(11,774)**	**(8,366)**
Retained Earnings (Deficit) at End of Year	**$ (35,730)**	**(10,744)**	**(2,580)**	**22,284**	**413**	**(26,357)**	**(11,774)**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
ENTERPRISE FUNDS

Exhibit D-3

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended September 30, 1982
With Comparative Totals for Year Ended September 30, 1981
($000s)

	Water and Sewer	General Hospital	Starplex	Convention Center	Lottery and Games	Totals	
						1982	1981
Cash at Beginning of Year	$ 336	14,244	906	500	—	15,986	5,728
Sources of Cash:							
Operations:							
Net income (loss)	(16,991)	(1,604)	(367)	3,966	413	(14,583)	(3,408)
Item not requiring cash							
Depreciation	5,872	3,076	517	6	—	9,471	7,970
Cash provided by (used in) operations	(11,119)	1,472	150	3,972	413	(5,112)	4,562
Capital contributions	1,777	954	—	42,604	—	45,335	32,049
Increase (decrease) in due to Federal government	2,257	—	—	—	—	2,257	(1,703)
Increase (decrease) in due to other funds	5,000	—	—	(3,649)	—	1,351	14,664
Increase (decrease) in accounts payable	3,195	72	107	(61)	1,610	4,923	(328)
Increase (decrease) in compensation liabilities	315	1,410	(21)	3	16	1,723	865
Increase (decrease) in deferred revenues	2,155	(13)	—	53	—	2,195	(3,166)
Increase (decrease) in other current liabilities	—	—	—	—	849	849	(500)
Increase (decrease) in long term liabilities	16,924	—	—	—	—	16,924	10,658
Total sources of cash	20,504	3,895	236	42,922	2,888	70,445	57,101
Uses of Cash:							
Acquisition of fixed assets	23,529	4,154	97	42,819	—	70,599	52,854
Increase (decrease) in receivables	(3,520)	4,965	(116)	(398)	34	965	(2,199)
Increase (decrease) in due from Federal government	198	(6)	—	—	—	192	689
Increase (decrease) in due from other funds	—	—	—	—	—	—	(5,879)
Increase (decrease) in inventory	(316)	241	(3)	—	156	78	662
Increase (decrease) in other current assets	392	—	(40)	501	—	853	716
Total uses of cash	20,283	9,354	(62)	42,922	190	72,687	46,843
Cash at End of Year	$ 557	8,785	1,204	500	2,698	13,744	15,986

The accompanying notes are an integral part of this statement.

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department of the District primarily or solely to other departments on a cost recovery basis.

The **General Services Fund** is used to account for the costs of constructing, renting, protecting and maintaining general governmental buildings and plants; purchasing and custody of supplies; monitoring public utility services purchased; and operating a print shop. Services provided to other departments of the District are billed at actual cost including depreciation of property and equipment.

The **Correctional Industries Fund** is used to account for the performance of services and production of commodities that contribute to the rehabilitation, knowledge and skill in trades and occupations of inmates of the institutions in the Department of Corrections in order to equip them with a means of livelihood upon release. Products and services are sold at fair market prices to other departments of the District and to other governments.

The **Motor Vehicle Maintenance Fund** is used to account for the costs of operating maintenance facilities for automotive equipment used by other District departments. Such costs are billed to other departments at actual costs. Actual costs include depreciation on maintenance buildings and fixtures and the furniture and equipment used to provide the service. The automotive equipment itself is acquired by the various departments which are also responsible for financing replacement vehicles.

Exhibit E-1

DISTRICT OF COLUMBIA
INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

September 30, 1982
With Comparative Totals for September 30, 1981
($000s)

	General Services	Correctional Industries	Motor Vehicle Maintenance	Totals	
				1982	1981
ASSETS					
Current Assets:					
Cash	$ 690	1,371	47	2,108	10,022
Receivables (net of allowances for uncollectibles)	—	417	—	417	267
Due from other funds (Note 3)	8,000	—	—	8,000	150
Inventory, at cost	1,841	751	34	2,626	1,475
Total current assets	10,531	2,539	81	13,151	11,914
Fixed Assets (Note 4):					
Property and equipment, at cost	2,158	932	368	3,458	3,782
Less - Accumulated depreciation	1,243	582	345	2,170	2,372
Net fixed assets	915	350	23	1,288	1,410
Total assets	**$11,446**	**2,889**	**104**	**14,439**	**13,324**
LIABILITIES AND FUND EQUITY					
Current Liabilities:					
Due to other funds (Note 3)	$ —	—	150	150	150
Accounts payable	11,538	215	136	11,889	10,871
Compensation liabilities	3,247	122	251	3,620	3,279
Deferred revenues	1,249	—	—	1,249	—
Total liabilities	**16,034**	**337**	**537**	**16,908**	**14,300**
Commitments and Contingent Liabilities (Notes 11 and 12)					
Fund Equity:					
Contributed capital (Note 4)	1,290	1,728	141	3,159	3,156
Retained earnings (deficit) since October 1, 1978	(5,878)	824	(574)	(5,628)	(4,132)
Total fund equity (deficit)	**(4,588)**	**2,552**	**(433)**	**(2,469)**	**(976)**
Total liabilities and fund equity	**$11,446**	**2,889**	**104**	**14,439**	**13,324**

The accompanying notes are an integral part of this statement.

Exhibit E-2

DISTRICT OF COLUMBIA
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Year Ended September 30, 1982
With Comparative Totals for Year Ended September 30, 1981
($000s)

	General Services	Correctional Industries	Motor Vehicle Maintenance	Totals 1982	Totals 1981
Operating Revenues:					
Charges for services	$ 25,451	3,940	3,918	33,309	26,651
Operating Expenses:					
Personal services	21,690	1,004	1,795	24,489	23,630
Contractual services	10,427	527	302	11,256	6,673
Supplies	7,277	1,569	690	9,536	5,164
Occupancy costs	13,721	79	1,061	14,861	14,219
Depreciation	109	61	—	170	100
Miscellaneous	363	111	—	474	274
Total operating expenses	53,587	3,351	3,848	60,786	50,060
OPERATING INCOME (LOSS)	(28,136)	589	70	(27,477)	(23,409)
Operating transfers in	25,981	—	—	25,981	23,957
NET INCOME (LOSS)	**(2,155)**	**589**	**70**	**(1,496)**	**548**
Retained Earnings (Deficit) at Beginning of Year	**(3,723)**	**235**	**(644)**	**(4,132)**	**(4,680)**
Retained Earnings (Deficit) at End of Year	**$ (5,878)**	**824**	**(574)**	**(5,628)**	**(4,132)**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
INTERNAL SERVICE FUNDS

Exhibit E-3

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended September 30, 1982
With Comparative Totals for Year Ended September 30, 1981
($000s)

	General Services	Correctional Industries	Motor Vehicle Maintenance	Totals	
				1982	1981
Cash at Beginning of Year	$ 8,913	1,073	36	10,022	1,580
Sources of Cash:					
Operations:					
Net income (loss)	(2,155)	589	70	(1,496)	548
Item not requiring cash - Depreciation	109	61	—	170	100
Cash provided by (used in) operations	(2,046)	650	70	(1,326)	648
Capital contributions	—	3	—	3	—
Increase (decrease) in due to other funds	—	—	—	—	150
Increase (decrease) in accounts payable	1,017	61	(60)	1,018	1,696
Increase (decrease) in compensation liabilities	294	11	36	341	(135)
Increase (decrease) in other current liabilities	1,249	—	—	1,249	(265)
Total sources of cash	514	725	46	1,285	2,094
Uses of Cash:					
Acquisition of fixed assets	(33)	80	1	48	(1)
Increase (decrease) in receivables	—	150	—	150	5
Increase (decrease) in due from other funds	7,850	—	—	7,850	(6,350)
Increase (decrease) in inventory	920	197	34	1,151	(2)
Total uses of cash	8,737	427	35	9,199	(6,348)
Cash at End of Year	$ 690	1,371	47	2,108	10,022

The accompanying notes are an integral part of this statement.

FIDUCIARY FUNDS

To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These funds are classified as Pension Trust, Unemployment Compensation Trust, Housing Finance Trust, and Agency.

Pension Trust Funds are used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future for judges, police officers, fire fighters and public school teachers of the District. The Funds do not account for the administrative costs of the plans which are borne by the General Fund. Resources are contributed by employees at rates fixed by law and by the District at amounts determined by an annual actuarial study and the Retirement Reform Act. The Pension Trust Funds are administered by an eleven member Retirement Board, three of whom are appointed by the Mayor, two by the Council and one each by active and retired police officers, fire fighters and teachers.

The **Unemployment Compensation Trust Fund** is used to account for the accumulation of resources to be used for benefit payments to unemployed former employees of the District and Federal governments and private employers in the District. The Fund does not account for the administrative costs of the system which are borne by the General Fund. Resources are contributed by private employers at rates fixed by law and by the District and Federal governments on a reimbursable basis. The Fund is administered by an Unemployment Compensation Board composed of the Mayor and four members appointed by the Mayor.

The **Housing Finance Trust Fund** is used to account for cash received from public and private sources to be used for increasing the supply and lowering the cost of money available for residential mortgages and construction loans in order to help alleviate the shortage of adequate housing. Mortgage lenders and the Fund make mortgage, construction and rehabilitation loans for single and multifamily rental and home ownership units designed to expand available housing opportunities, achieve neighborhood and fiscal stability, and effect residential economic diversity. The Fund is administered by a Housing Finance Agency Board of Directors comprised of nine members: three exofficio members and six public members appointed by the Mayor with the consent of the Council. The Fund accounts for the administrative costs of the Agency since its inception on October 7, 1980.

Agency Funds are used to account for refundable deposits required of various licensees, monies held in escrow and other assets held in custody by the District as an agent for individuals and private organizations.

Exhibit F-1

DISTRICT OF COLUMBIA
FIDUCIARY FUNDS

COMBINING BALANCE SHEET

September 30, 1982
With Comparative Totals for September 30, 1981
($000s)

	Trust Funds				Totals	
	Pension	Unemployment Compensation	Housing Finance	Agency Funds	1982	1981
ASSETS						
Restricted Assets:						
Cash and investments (Note 1)	$265,993	836	15,460	33,284	315,573	205,947
Due from others (net of allowances for uncollectibles)	1,935	10,671	994	13,121	26,721	26,243
Due from Federal government (Note 2)	616,276	13,989	—	—	630,265	638,278
Due from other funds (Note 3)	11,554	—	—	—	11,554	11,034
Other restricted assets	—	—	1,046	—	1,046	—
Total assets	**$895,758**	**25,496**	**17,500**	**46,405**	**985,159**	**881,502**
LIABILITIES AND FUND BALANCE						
Long Term Liabilities:						
Advance from other funds	$ —	—	2,001	—	2,001	—
Liabilities Payable From Restricted Assets:						
Due to Federal government (Note 2)	—	41,395	—	—	41,395	51,258
Due to other funds (Note 3)	—	9,842	—	—	9,842	—
Due to others	12,792	6,469	16,072	46,405	81,738	53,863
Total restricted liabilities	12,792	57,706	16,072	46,405	132,975	105,121
Total liabilities	**12,792**	**57,706**	**18,073**	**46,405**	**134,976**	**105,121**
Commitments and Contingent Liabilities (Notes 11 and 12)						
Fund Balance:						
Reserved for net restricted assets	882,966	(32,210)	1,428	—	852,184	776,381
Unreserved (deficit)	—	—	(2,001)	—	(2,001)	—
Total fund balance (deficit)	**882,966**	**(32,210)**	**(573)**	**—**	**850,183**	**776,381**
Total liabilities and fund balance	**$895,758**	**25,496**	**17,500**	**46,405**	**985,159**	**881,502**

The accompanying notes are an integral part of this statement.

Exhibit F-2

DISTRICT OF COLUMBIA
TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

Year Ended September 30, 1982
With Comparative Totals for Year Ended September 30, 1981
($000s)

	Pension	Unemployment Compensation	Housing Finance	Totals	
				1982	1981
Operating Revenues:					
Charges for services	$ —	—	174	174	—
Benefit contributions	196,704	105,387	—	302,091	228,850
Investment earnings	40,008	—	158	40,166	60,676
Total operating revenues	236,712	105,387	332	342,431	289,526
Operating Expenses:					
Personal services	—	—	262	262	—
Contractual services	—	—	319	319	—
Supplies	—	—	12	12	—
Occupancy costs	—	—	87	87	—
Depreciation	—	—	4	4	—
Benefit payments	145,465	121,961	—	267,426	239,387
Miscellaneous	—	—	55	55	—
Total operating expenses	145,465	121,961	739	268,165	239,387
OPERATING INCOME (LOSS)	91,247	(16,574)	(407)	74,266	50,139
Nonoperating Revenues (Expenses):					
Interest	—	—	(166)	(166)	—
INCOME (LOSS) BEFORE OPERATING TRANSFERS	91,247	(16,574)	(573)	74,100	50,139
Operating transfers in (out)	(298)	—	—	(298)	—
NET INCOME (LOSS)	**90,949**	**(16,574)**	**(573)**	**73,802**	**50,139**
Fund Balance (Deficit) at Beginning of Year	**792,017**	**(15,636)**	—	**776,381**	**726,242**
Fund Balance (Deficit) at End of Year	**$882,966**	**(32,210)**	**(573)**	**850,183**	**776,381**

The accompanying notes are an integral part of this statement.

Exhibit F-3

DISTRICT OF COLUMBIA
AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended September 30, 1982
($000s)

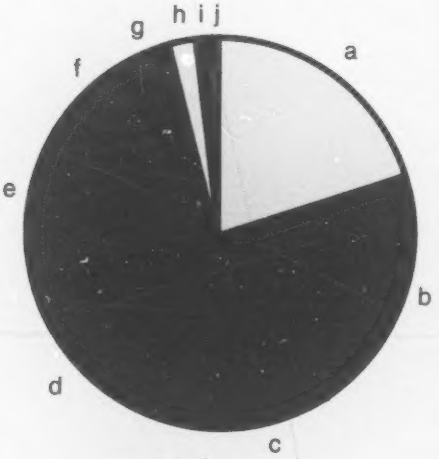
	Balance October 1, 1981	Additions	Deductions	Balance September 30, 1982
ASSETS				
Restricted Assets:				
Cash and investments (Note 1)	$ 24,479	56,384	47,579	33,284
Due from others	10,927	18,805	16,611	13,121
Total assets	**$ 35,406**	**75,189**	**64,190**	**46,405**
LIABILITIES				
Liabilities Payable From Restricted Assets:				
Due to others	$ 35,406	58,578	47,579	46,405
Total liabilities	**$ 35,406**	**58,578**	**47,579**	**46,405**

The accompanying notes are an integral part of this statement.

OPERATING RATIOS
GENERAL FUND FOR 1982

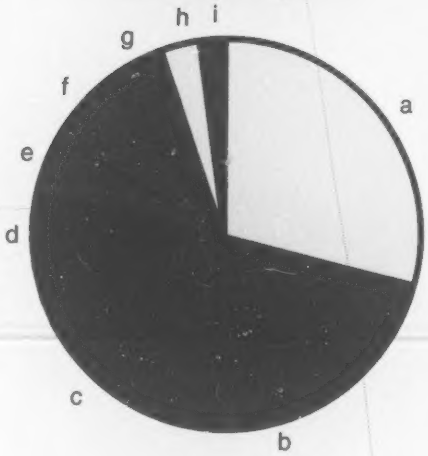
REVENUE DOLLAR BY SOURCE
Where the money came from

a. Income and franchise taxes	$ .20
b. Sales and use taxes	.18
c. Payment in lieu of taxes	.17
d. Grants and entitlements	.16
e. Property taxes	.15
f. Licenses and charges	.05
g. Other financing sources	.05
h. Other taxes	.02
i. Fines and forfeits	.01
j. Miscellaneous	.01
	$1.00



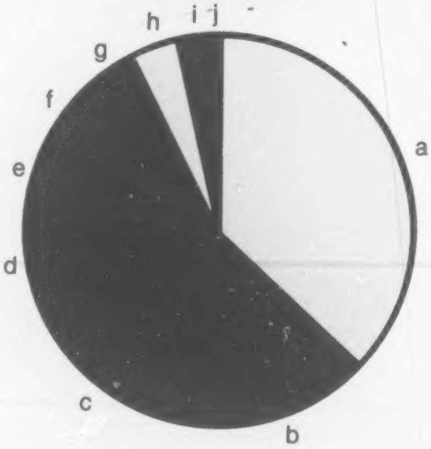
EXPENDITURE DOLLAR BY FUNCTION
Where the money was spent

a. Human support services	$ .29
b. Public safety and justice	.23
c. Public education system	.20
d. Debt service	.07
e. Transportation system and assistance	.06
f. Economic development and regulation	.05
g. Operating transfers (net)	.05
h. Governmental direction and support	.03
i. Environmental services and supply	.02
	$1.00



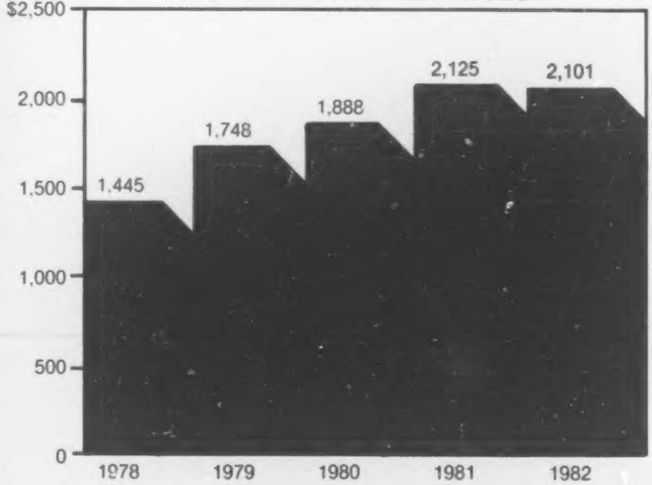
EXPENDITURE DOLLAR BY OBJECT
On what the money was spent

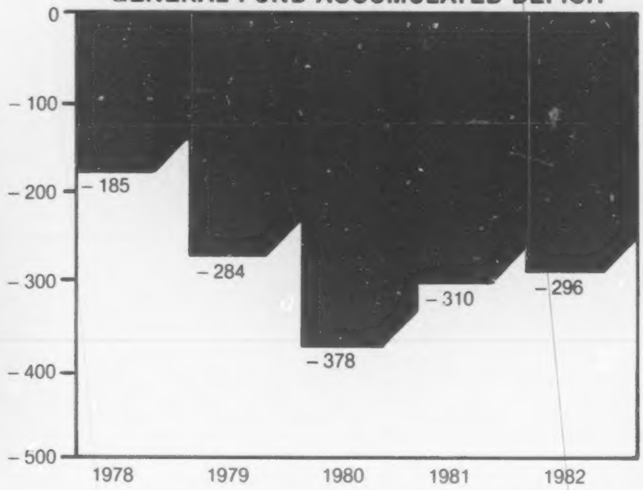
a. Salaries and wages	$ .37
b. Public assistance	.16
c. Employee benefits	.15
d. Miscellaneous	.09
e. Contractual services	.06
f. Operating transfers (net)	.05
g. Interest	.05
h. Occupancy costs	.04
i. Supplies	.02
j. Principal debt payment	.01
	$1.00

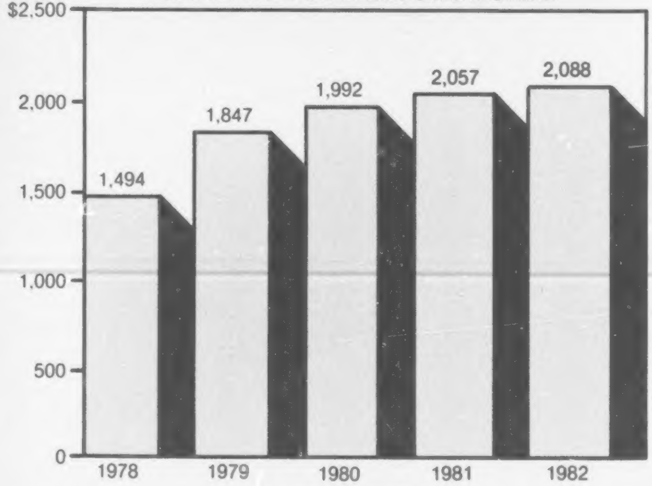


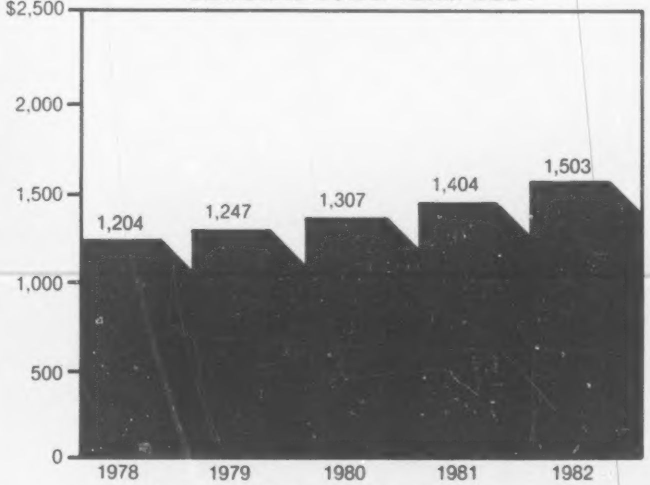
Statistical Section

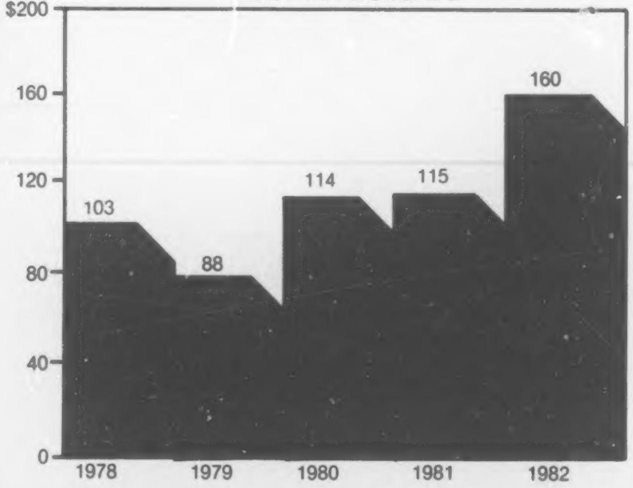
FINANCIAL HIGHLIGHTS
(In millions of dollars)


GENERAL FUND REVENUES


GENERAL FUND ACCUMULATED DEFICIT


GENERAL FUND EXPENDITURES


GENERAL LONG TERM DEBT


CAPITAL OUTLAYS

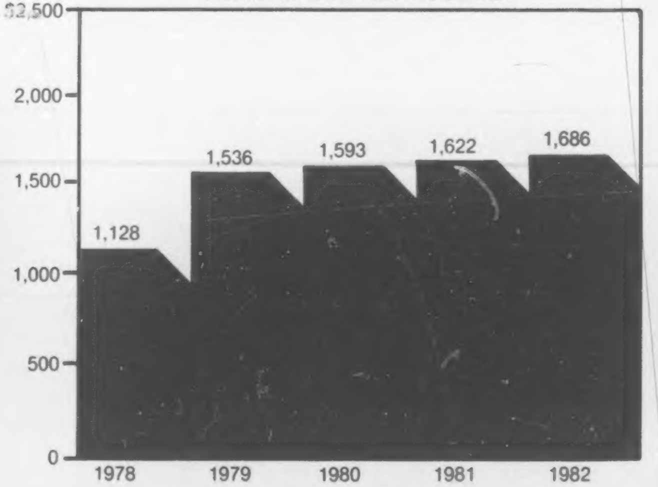

GENERAL FIXED ASSETS

Exhibit S-1

DISTRICT OF COLUMBIA

GENERAL FUND REVENUES BY SOURCE

Last Ten Fiscal Years
($000s)

Fiscal Year (1)	Taxes	Licenses and Permits	Fines and Forfeits	Charges for Services	Miscellaneous	Total District	Intergovernmental	Total (3)
1973	$ 485,555	19,553	9,362	11,896	1,158	527,524	203,500	731,024
1974	513,761	19,522	9,280	12,656	1,933	557,152	224,917	782,069
1975	528,082	19,754	9,043	13,152	6,126	576,157	257,169	833,326
1976	600,708	23,352	12,219	13,772	1,824	651,875	275,604	927,479
Transition Quarter (2)	193,380	2,557	3,137	4,365	252	203,691	72,800	276,491
1977	714,022	29,848	12,725	17,537	10,297	784,429	304,447	1,088,876
1978	820,482	27,287	14,096	23,769	16,724	902,358	312,745	1,215,103
1979	799,014	29,224	16,281	23,545	18,200	886,264	672,567	1,558,831
1980	928,412	30,496	22,871	10,794	49,578	1,042,151	689,479	1,731,630
1981	1,078,830	29,245	23,478	73,418	28,944	1,233,915	678,404	1,912,319
1982	1,172,721	29,661	22,124	69,495	18,033	1,312,034	684,590	1,996,624

Notes:

(1) The amounts shown for 1973 through 1978 were on the cash basis of accounting. The amounts shown for 1979 and thereafter were on the accrual basis of accounting.

(2) The fiscal year changed from June 30 to September 30 in 1976.

(3) Excludes "other financing sources."

Exhibit S-2

DISTRICT OF COLUMBIA

GENERAL FUND EXPENDITURES BY FUNCTION

Last Ten Fiscal Years
($000s)

Fiscal Year (1)	Governmental Direction	Economic Development	Public Safety	Public Education	Human Services	Transportation Services	Environmental Services	Debt Service	Miscellaneous	Total (3)
1973	$30,709	11,935	199,802	195,772	237,332	22,003	44,348	29,069	4,192	775,162
1974	35,694	13,070	209,941	209,476	246,685	27,245	47,360	40,180	4,329	833,980
1975	38,475	13,499	231,467	230,739	256,354	31,326	54,638	49,614	5,215	911,327
1976	42,066	13,856	249,107	251,836	291,440	58,859	59,833	63,376	3,185	1,033,558
Transition Quarter (2)	13,599	3,589	63,847	47,644	83,118	15,691	15,983	—	(1,083)	242,388
1977	49,447	14,445	267,837	276,962	305,810	52,765	67,193	80,839	1,777	1,117,075
1978	57,553	15,560	286,623	297,769	331,953	57,213	72,710	126,142	18,669	1,264,192
1979	64,888	91,106	310,787	317,329	532,587	93,852	25,133	113,359	9,435	1,558,476
1980	71,716	104,089	433,473	410,738	605,820	118,768	31,936	114,169	—	1,890,709
1981	75,509	96,607	450,526	397,944	645,192	113,777	40,091	123,772	—	1,943,618
1982	63,509	92,250	487,119	417,778	605,205	127,806	44,822	137,787	—	1,976,276

Notes:

(1) The amounts shown for 1973 through 1978 were on the cash basis of accounting. The amounts shown for 1979 and thereafter were on the accrual basis of accounting.

(2) The fiscal year changed from June 30 to September 30 in 1976.

(3) Excludes "other financing uses."

DISTRICT OF COLUMBIA

APPROPRIATED OBLIGATIONS BY ACTIVITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

Year Ended September 30, 1982
($000s)

Activity	Budget	Actual	Variance-Favorable (Unfavorable)
Governmental direction and support:			
Council	$ 4,405.1	4,405.0	.1
Auditor	400.9	399.4	1.5
Mayor	1,026.1	1,025.9	.2
Inspector General	621.8	621.8	.0
Executive Secretary	1,477.0	1,477.0	.0
Corporation Counsel	5,805.2	5,770.9	34.3
City Administrator	1,121.6	884.3	237.3
Intergovernmental Relations	305.2	290.9	14.3
Budget and Resource Development	1,820.2	1,810.5	9.7
Financial Management	14,835.8	14,673.2	162.6
Personnel	9,770.6	9,719.8	50.8
Communications	245.3	238.3	7.0
Finance and Revenue	14,737.7	14,732.9	4.8
General Services (2)	25,981.2	25,981.2	.0
Appeals and Review	214.8	211.7	3.1
Elections and Ethics	1,830.1	2,070.3	(240.2)
Business and Economic Development	778.1	738.6	39.5
Public Employee Relations	222.9	179.8	43.1
Advisory Neighborhood Commissions	934.7	923.9	10.8
Council of Governments (1)	269.2	269.2	.0
Settlement of Claims and Suits	3,366.3	2,680.1	686.2
Employee Appeals	630.2	571.8	58.4
Retirement	321.3	321.3	.0
Statehood Constitutional Convention	153.2	153.2	.0
Total	91,274.5	90,151.0	1,123.5
Economic development and regulation:			
Planning and Development	3,016.9	2,895.2	121.7
Housing and Community Development	20,248.0	18,296.6	1,951.4
Recorder of Deeds	1,271.2	1,267.1	4.1
Surveyor	637.1	620.0	17.1
Convention and Visitors Association (1)	298.0	298.0	.0
Chamber of Commerce (1)	75.2	75.2	.0
Minority Business Opportunity	138.3	138.0	.3
Consumer Protection	573.7	567.2	6.5
Rental Accommodations	1,124.1	1,102.6	21.5
Licenses, Investigation and Inspections	4,238.6	4,200.8	37.8
Insurance	785.4	649.3	136.1
Public Service	1,728.5	1,653.3	75.2
Healing Arts Licensure	209.1	158.0	51.1
People's Counsel	368.7	341.6	27.1
Lottery and Games (2)	647.0	628.0	19.0
Total	35,359.8	32,890.9	2,468.9
Public safety and justice:			
Police	119,180.8	118,983.4	197.4
National Guard	416.1	415.7	.4
Emergency Preparedness	200.9	197.0	3.9
Fire	45,329.1	45,285.6	43.5
Courts	38,248.5	38,053.5	195.0
Public Defender	3,306.0	3,306.0	.0
Pretrial Services	1,335.6	1,299.4	36.2
Parole	633.6	630.2	3.4
Judicial Disabilities and Tenure	90.0	84.3	5.7
Judicial Nomination	34.2	33.0	1.2
Law Revision	450.9	446.7	4.2
Corrections	83,196.3	83,182.6	13.7
Criminal Justice Plans and Analysis	131.7	128.9	2.8

Exhibit S-3

Activity	Budget	Actual	Variance-Favorable (Unfavorable)
Police Officers Pension Contribution	$ 48,977.6	48,977.6	.0
Fire Fighters Pension Contribution	24,562.4	24,562.4	.0
Judges Pension Contribution	1,200.0	1,200.0	.0
Total	367,293.7	366,786.3	507.4
Public education system:			
Schools	272,506.5	272,278.3	228.2
School transit subsidy (1)	4,115.0	4,111.1	3.9
University (2)	51,877.4	51,612.2	265.2
Libraries	10,766.2	10,707.7	58.5
Arts and Humanities	791.4	773.2	18.2
Teachers Pension Contribution	60,220.9	60,220.9	.0
Educational Institution Licensure	98.1	98.0	.1
Total	400,375.5	399,801.4	574.1
Human support services:			
Disability Compensation Benefits	11,374.6	10,842.4	532.2
Unemployment Compensation Contribution	10,600.0	9,416.5	1,183.5
Human Rights	1,226.7	1,116.9	109.8
Aging	3,839.9	3,802.1	37.8
Latino Affairs	234.1	225.6	8.5
Employment Services	19,044.6	19,044.6	.0
Women	119.3	119.0	.3
Recreation	20,288.7	19,321.4	967.3
Human Services	327,598.2	327,540.7	57.5
General Hospital (2)	31,412.3	31,412.3	.0
Saint Elizabeths Hospital	22,948.7	22,902.9	45.8
Complementary energy assistance	2,000.0	2,074.6	(74.6)
Total	450,687.1	447,819.0	2,868.1
Transportation services and assistance:			
Transportation	45,950.5	44,490.2	1,460.3
Transit Commission (1)	78.8	78.8	.0
Transit Authority (1)	74,952.3	69,515.6	5,436.7
Total	120,981.6	114,084.6	6,897.0
Environmental services and supply:			
Environmental Services	33,436.2	33,290.2	146.0
Reduction of accumulated deficit	10,000.0	—	10,000.0
Debt service:			
Principal	26,820.0	26,676.4	143.6
Interest	99,240.6	99,240.6	.0
Total	126,060.6	125,917.0	143.6
TOTAL EXPENDITURES	**1,635,469.0**	**1,610,740.4**	**24,728.6**
Water and sewer enterprise fund:			
Operations	75,391.1	73,346.5	2,044.6
Washington Aqueduct (1)	12,581.3	11,630.3	951.0
Debt service:			
Principal	5,545.0	3,342.0	2,203.0
Interest	12,690.8	11,316.5	1,374.3
Total	106,208.2	99,635.3	6,572.9
Convention center enterprise fund	2,005.3	1,561.8	443.5
Total Appropriation	**$1,743,682.5**	**1,711,937.5**	**31,745.0**

Notes:

(1) Not part of the District government.

(2) Operating transfers total $110,468-budget and $110,183-actual.

(3) This exhibit is provided for the information of Congress.

DISTRICT OF COLUMBIA

Exhibit S-4

REAL PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
($000s)

Property Tax Year (1)	Tax Levy (2)	Current Tax Collections (3)	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Collections	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Levy
1973	$134,011	131,708	98.3	$2,934	134,642	100.5	$ 4,169	3.1
1974	138,390	134,683	97.3	3,285	137,968	99.7	5,261	3.8
1975	130,072	126,419	97.2	4,069	130,488	100.3	6,048	4.7
1976	135,995	131,833	96.9	4,195	136,028	100.0	6,630	4.9
1977	149,886	147,508	98.4	4,745	152,253	101.6	5,298	3.5
1978	156,108	150,471	96.4	6,206	156,677	100.4	4,022	2.6
1979	171,703	168,755	98.3	2,442	171,197	99.7	3,271	1.9
1980	184,715	180,962	98.0	2,695	183,657	99.4	8.537	4.6
1981	230.367	224.573	97.5	3.900	228.473	99.2	10.950	4.8
1982	281.137	274.898	97.8	4.217	279.115	99.3	8.856	3.2

Notes:

(1) Property tax year is from July 1 to June 30.

(2) This column reflects the original tax levies for the years indicated and excludes later increases or decreases resulting primarily from audits and judgments.

(3) This column includes overpayments which the District must refund, but excludes payments for interest and penalties.

Source: Department of Finance and Revenue.

DISTRICT OF COLUMBIA

Exhibit S-5

PERCENT OF FEDERAL PAYMENT TO REVENUES AND EXPENDITURES

Last Ten Fiscal Years
($000s)

Fiscal Year	Federal Payment	District Revenues (Exhibit S-1)	General Fund Expenditures (1) (Exhibit S-2)	Percent of Federal Payment to	
				District Revenues	General Fund Expenditures
1973	$181,500	527,524	741,901	34.4	24.5
1974	187,450	557,152	789,471	33.6	23.7
1975	226,200	576,157	856,498	39.3	26.4
1976	248,948	651,875	966,997	38.2	25.7
Transition Quarter (2)	67,560	203,691	243,471	33.2	27.7
1977	276,650	784,429	1,034,459	35.3	26.7
1978	276,000	902,358	1,119,381	30.6	24.7
1979	262,465	886,264	1,435,682	29.6	18.3
1980	276,500	1,042,151	1,776,540	26.5	15.6
1981	304,684	1,233,915	1,819,846	24.7	16.7
1982	336,600	1,313,037	1,838,489	25.6	18.3

Notes:

(1) Excludes debt service.

(2) The fiscal year changed from June 30 to September 30 in 1976.

DISTRICT OF COLUMBIA

Exhibit S-6

MAJOR TAX RATES

Last Ten Fiscal Years

	Property				Sales and Use						Income (7)		Other
	Real (1)			Personal	General	Selective							
	Commercial and Other	Residential											
Fiscal Year		Owner-Occupied	Nonowner Occupied	(2)	(3)	Spirits (4)	Beer (5)	Cigarettes (6)	Motor Fuel (4)	Motor Vehicle (3)	Individual	Business	Inheritance (8)
1973	$1.83	1.83	1.83	2.40	.05	2.00	2.25	.06	.08	.05	.02-.10	.070	.01-.23
1974												.080	
1975												.120	
1976								.10	.10	.04-.07	.02-.11	.099	
1977				2.82				.13					
1978		1.54	1.54			1.50							
1979													
1980	2.13	1.22		3.10	.06				.11				
1981									.13				
1982									.14				

Notes:

(1) Per $100 estimated actual value. In 1976, assessed values were increased to 100% from approximately 55% of estimated actual values, with an offsetting reduction in tax rates in 1978.

(2) Per $100 assessed value. (3) Per sales dollar. (4) Per gallon. (5) Per barrel. (6) Per pack.

(7) Per dollar of taxable income (8) Effective rate based on $100,000 inheritance.

Source: Department of Finance and Revenue.

DISTRICT OF COLUMBIA

Exhibit S-7

PERCENT OF DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY AND DEBT PER CAPITA

Last Ten Fiscal Years
($000s)

Property Tax Year (1)	Estimated Population (2)	Debt to Federal Government (3)	Estimated Actual Value (4)	Percent of Debt to Estimated Actual Value	Debt per Capita (5)
1973	737,000	$ 554,000	7,300,000	7.6	$ 752
1974	723,000	680,000	7,600,000	9.0	941
1975	712,000	843,000	7,100,000	11.9	1,184
1976	700,000	1,086,927	7,400,000	14.7	1,552
1977	685,000	1,139,539	8,200,000	13.9	1,664
1978	674,000	1,204,431	9,100,000	13.2	1,787
1979	656,000	1,246,642	10,700,000	11.7	1,900
1980	638,333	1,307,013	11,600,000	11.3	2,048
1981	633,000	1,403,744	14,000,000	10.0	2,218
1982	631,000	1,502,825	18,000,000	8.4	2,382

Notes:

(1) Property tax year is from July 1 to June 30. (2) Federal Bureau of the Census.

(3) Debt to Federal government was determined as of June 30 for 1973 through 1975 and as of September 30 for 1976 and thereafter. Amounts exclude Water and Sewer Fund debt which was $187 million at September 30, 1982.

(4) In 1976, assessed values were increased to 100% from approximately 55% of estimated actual values.

(5) There was no overlapping government debt in the District of Columbia. There were no special assessments in the District of Columbia.

DISTRICT OF COLUMBIA

Exhibit S-8

COMPUTATION OF LEGAL DEBT LIMITATION

September 30, 1982 and 1981
($000s)

	1982	1981
Revenue Base:		
General Fund	$1,648,634	1,533,915
Water and Sewer Fund	82,965	75,177
Total	1,731,599	1,609,092
Less- Court fees	2,922	2,196
Benefit contributions	329	—
Net	$1,728,348	1,606,896
Debt Service	$ 137,787	123,772
Percent of Debt Service of Revenue Base	8.0	7.7
Debt Service Percent Limitation (1)	14.0	14.0

Note:

(1) A capital projects debt service ceiling of 14% of annual net District revenues anticipated for the year in which a loan is to be made, or bonds issued, is imposed by the District of Columbia Self-Government and Governmental Reorganization Act on borrowing from the Federal Government and by issuing general obligation bonds.

DISTRICT OF COLUMBIA

Exhibit S-9

PERCENT OF DEBT SERVICE TO GENERAL FUND EXPENDITURES

Last Ten Fiscal Years
($000s)

Fiscal Year	Debt Service			General Fund Expenditures (Exhibit S-2)	Percent of Debt Service to General Fund Expenditures
	Principal	Interest	Total		
1973	$ 4,902	24,167	29,069	775,162	3.8
1974	7,620	32,560	40,180	833,980	4.8
1975	8,717	40,350	49,067	911,327	5.4
1976	11,605	51,771	63,376	1,033,558	6.1
Transition Quarter (1)	—	—	—	242,388	—
1977	13,029	67,810	80,839	1,117,075	7.2
1978	23,410	102,734	126,144	1,264,192	10.0
1979	18,593	94,766	113,359	1,558,476	7.3
1980	21,643	92,526	114,169	1,890,709	6.0
1981	22,729	101,043	123,772	1,943,618	6.4
1982	25,419	112,368	137,787	1,976,276	7.0

Note:

(1) The fiscal year changed from June 30 to September 30 in 1976.

DISTRICT OF COLUMBIA

Exhibit S-10

TEN HIGHEST MARKET VALUES FOR COMMERCIAL AND APARTMENT PROPERTIES

Year Ended June 30, 1982
($000s)

Squares	Lots	Building	Land	Improvements	Total
8	806-809, 811, 812	Watergate	$25,045	133,732	158,777
387,435	865,61	L'Enfant Plaza	22,937	135,063	158,000
2,132	32	Sheraton-Washington	17,558	78,642	96,200
2049	803-806	Van Ness Center	18,932	44,434	63,366
106	49	International Square	24,338	38,801	63,139
465	96	Nassif Building	19,311	43,689	63,000
2535	828	Washington Hilton	10,144	43,856	54,000
33	87, 88	Columbia Plaza	12,305	37,826	50,131
107	75	1801 K Street, N.W.	11,460	31,940	43,400
630	71	400 North Capital Street, N.W.	6,729	36,371	43,100

Source: Department of Finance and Revenue. Market value was calculated based on assessed value for the property tax year ended June 30.

DISTRICT OF COLUMBIA

Exhibit S-11

TEN HIGHEST MARKET VALUES FOR RESIDENTIAL PROPERTIES

Year Ended June 30, 1982
($000s)

Squares	Lots	Building	Land	Improvements	Total
2245	800	4155 Linnean Avenue, N.W.	$ 1,234	4,771	6,005
1346	3, 4, 801-803	1801 Foxhall Road, N.W.	4,765	111	4,876
2084	835, 836	3029 Klingle Road, N.W.	2,413	2,056	4,469
1409	1	2816 Battery Place, N.W.	1,070	2,691	3,761
1341	856, 858, 859, 861	2209 Foxhall Road, N.W.	2,805	608	3,413
1346	816, 817	2101 Foxhall Road, N.W.	3,033	143	3,176
1467	821,822	50th & Massachusetts, N.W.	2,884	—	2,884
1341	857	2401 Foxhall Road, N.W.	1,728	646	2,374
1320	802	Reservoir Road, N.W.	2,003	—	2,003
1284	807	1617-33 39th Street, N.W.	912	827	1,739

Source: Department of Finance and Revenue. Market value was calculated based on assessed value for the property tax year ended June 30.

DISTRICT OF COLUMBIA

Exhibit S-12

TEN HIGHEST MARKET VALUES FOR TAX-EXEMPT PROPERTIES

Year Ended June 30, 1982
($000s)

Property (1)	Value
George Washington University and Hospital	$206,539
Washington Hospital Center	180,924
Howard University and Hospital	135,787
Georgetown University and Hospital	126,101
National Cathedral	89,682
American University	66,672
Catholic University	65,785
National Geographic Society	45,405
National Shrine of Immaculate Conception	38,510
Providence Hospital	32,250

Note:

(1) Excludes Federal government property.

Source: Department of Finance and Revenue. Market value was calculated based on assessed value for the property tax year ended June 30.

DISTRICT OF COLUMBIA

Exhibit S-13

POPULATION DISTRIBUTION

Last Four Censuses

Year	Under 18	18 to 50	Over 50	Total
1950	184,805	441,859	175,514	802,178
1960	219,635	350,734	193,587	763,956
1970	224,106	350,319	182,085	756,510
1980	143,971	323,532	170,830	638,333
Estimated 1982	138,000	323,000	170,000	631,000

Source: Federal Bureau of the Census.

DISTRICT OF COLUMBIA

Exhibit S-14

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Six Fiscal Years
($000s)

	Commercial Construction		Residential Construction (2)			Property Value (4)			
Fiscal Year (1)	Number of Units	Value	Number of Units	Value	Bank Deposits (3)	Commercial	Residential	Total Taxable	Nontaxable
1977	43	$ 78,116	2,264	$48,007	4,165,801	3,155,000	5,034,000	8,189,000	9,461,000
1978	37	73,208	2,374	52,884	4,650,993	3,300,000	5,825,000	9,125,000	9,936,000
1979	57	190,462	1,871	60,190	5,092,065	3,815,000	6,823,000	10,638,000	10,601,000
1980	72	163,760	2,763	92,430	5,284,407	4,216,000	7,378,000	11,594,000	13,154,000
1981	56	180,747	1,172	30,002	5,781,615	4,981,000	8,984,000	13,965,000	13,407,000
1982	52	328,093	441	15,920	6,117,083	6,505,200	11,494,800	18,000,000	14,954,000

Source: (1) Data are not available prior to 1977.
(2) Department of Licences, Investigation and Inspections.
(3) FDIC *Summary of Deposits* in all commercial banks as of June 30.
(4) Department of Finance and Revenue estimated actual value.

DISTRICT OF COLUMBIA

Exhibit S-15

DISTRIBUTION OF INDIVIDUAL INCOME TAXES

Years Ended September 30, 1980 and 1979

	1980		1979	
Income Levels	Percent of Total Taxes Paid	Number of Taxpayers	Percent of Total Taxes Paid	Number of Taxpayers
Under $5,000	1.0	49,452	1.2	56,101
$ 5,000 to 10,000	5.6	65,664	7.2	76,073
$10,000 to 15,000	12.0	61,011	14.3	65,439
$15,000 to 25,000	26.4	67,400	27.9	65,443
$25,000 to 50,000	30.2	35,259	28.6	29,846
$50,000 to 100,000	12.7	6,542	10.8	4,945
Over $100,000	12.1	1,908	10.0	1,443
Total	100.0	287,236	100.0	299,290

Source: Department of Finance and Revenue. Data are not available for the last two years.

Exhibit S-16

DISTRICT OF COLUMBIA

MISCELLANEOUS STATISTICS

September 30, 1982

Area (square miles):	
Federal and foreign governments	22.9
District government	2.3
Streets and alleys	15.5
Taxable base	21.2
Total area	61.9
Employees (authorized, permanent, full-time):	
Governmental direction	1,763
Economic development	678
Public safety and justice	8,729
Education and libraries	9,777
Human services and recreation	3,782
Transportation services	736
Environmental services	1,808
Total employees	27,273
Police Protection:	
Number of stations	13
Number of police officers	3,858
Crime index offenses	67,846
Fire Protection:	
Number of stations	32
Number of fire fighters	1,168
Transportation:	
Number of street lights	66,757
Number of traffic signalized intersections	1,250
Number of motor vehicle registrations (4/1-3/31)	297,436
Water:	
Number of consumers	122,000
Average daily consumption (in millions of gallons)	166
Miles of water mains	1,450
Sewers:	
Miles of sewers	1,800
Daily maximum capacity (in millions of gallons)	650
Economic:	
Taxable retail sales (in millions)	$3,600
Unemployment claims accepted	45,819
Unemployment claims rejected	10,629
Recreation:	
Number of centers and playgrounds	141
Number of day camps	10
Number of outdoor swimming pools	34
Number of indoor swimming pools	11
Libraries:	
Number of main and branch buildings	21
Number of community and kiosk facilities	6
Number of volumes	903,000
Education (excludes University):	
Number of schools	186
Number of teachers	5,047
Number of students	94,975

Exhibit S-17

DISTRICT OF COLUMBIA
GOVERNMENTAL AND PROPRIETARY FUNDS

SUMMARY OF FINANCIAL ACTIVITY

Years Ended September 30, 1982 and 1981
($000s)

	1982					1981		Difference	
	Gross Cost	Related Resources		Net Cost	% of Revenue	Net Cost	% of Revenue	Better or (Worse)	
		District	Federal					Amount	%
General Revenues:									
Sovereign:									
Taxes		$1,172,721	—	1,172,721	73.4	$1,078,830	72.7	$ 93,891	8.7
Licenses and permits		29,661	—	29,661	1.8	29,245	2.0	416	1.4
Fines and forfeits		22,124	—	22,124	1.4	23,478	1.6	(1,354)	(5.8)
Miscellaneous:									
Interest		14,391	—	14,391	.9	15,041	1.0	(650)	(4.3)
Other		3,642	—	3,642	.2	13,903	.9	(10,261)	(73.8)
Intergovernmental (unrestricted):									
Payment in lieu of taxes		—	336,600	336,600	21.1	304,684	20.5	31,916	10.5
Revenue sharing entitlements		—	18,656	18,656	1.2	19,200	1.3	(544)	(2.8)
Total general revenues		1,242,539	355,256	1,597,795	100.0	1,484,381	100.0	113,414	7.6
Cost of Services:									
Governmental:									
Direction and interest	$ 229,464	25,422	6,175	197,867	12.4	190,466	12.8	(7,401)	(3.9)
Economic development	92,250	22,509	47,553	22,188	1.4	25,457	1.7	3,269	12.8
Public safety and justice	490,470	10,757	1,435	478,278	29.8	439,089	29.7	(39,189)	(8.9)
Education and libraries	417,778	1,909	41,920	373,949	23.4	344,141	23.2	(29,808)	(8.7)
Human services and recreation	605,205	8,184	228,107	368,914	23.1	395,093	26.6	26,179	6.6
Transportation services	131,654	26,543	2,691	102,420	6.4	91,950	6.2	(10,470)	(11.4)
Environmental services	44,822	7,778	1,453	35,591	2.2	30.164	2.0	(5,427)	(18.0)
Commercial:									
University	67,867	9,375	6,506	51,986	3.3	51,004	3.4	(982)	(1.9)
Water and sewer	100,506	82,965	—	17,541	1.1	5,698	.4	(11,843)	(207.8)
General hospital	77,095	44,079	—	33,016	2.1	33,596	2.3	580	1.7
Starplex	3,555	3,188	—	367	.0	239	.0	(128)	(53.6)
Convention center	1,048	6	—	1,042	.1	369	.0	(673)	(182.4)
Lottery and games	2,977	7,630	—	(4,653)	(.3)	—	—	4,653	—
Total cost of services	2,264,691	250,345	335,840	1,678,506	105.0	1,607,266	108.3	(71,240)	(4.4)
CURRENT INCOME (LOSS)	2,264,691	1,492,884	691,096	(80,711)	(5.0)	(122,885)	(8.3)	42,174	34.3
Financing and Investing Activities:									
Acquisition of fixed assets	184,762	2,966	41,677	140,119	8.7	111.459	7.5	(28,660)	(25.7)
Payment of long term debt	29,182	—	145,000	(115,818)	(7.2)	(108,013)	(7.3)	7,805	7.2
Total financing and investing activities	213,944	2,966	186,677	24,301	1.5	3,446	.2	(20,855)	(605.2)
FINANCIAL INFLOW (OUTFLOW)	2,478,635	1,495,850	877,773	(105,012)	(6.5)	(126,331)	(8.5)	21,319	(16.9)
Costs Not Requiring Current Cash:									
Depreciation of fixed assets	9,641	—	—	9,641	.6	8,070	.5	1,571	19.5
Employee benefits to be paid in future years	101,181	—	—	101,181	6.3	210,986	14.3	(109,805)	(52.0)
Total noncash costs	110,822	—	—	110,822	6.9	219,056	14.8	(108,234)	(49.4)
CASH PROVIDED BY OPERATIONS	$2,367,813	1,495,850	877,773	5,810	.4	92,725	6.3	(86,915)	(93.7)
Cash provided by (used for) noncash working capital				(9,064)	(.6)	(14,822)	1.0	5,758	38.8
INCREASE (DECREASE) IN CASH AND INVESTMENTS				(3,254)	(.2)	77,903	5.3	(81,157)	(104.2)
Cash and Investments at Beginning of Year				144,025	9.0	66,122	4.4	77,903	117.8
Cash and Investments at End of Year				$ 140,771	8.8	$ 144,025	9.7	$ (3,254)	(2.3)

Financial Management Organization

Elijah B. Rogers
Deputy Mayor for Operations/
City Administrator

Alphonse G Hill
Deputy Mayor for Finance

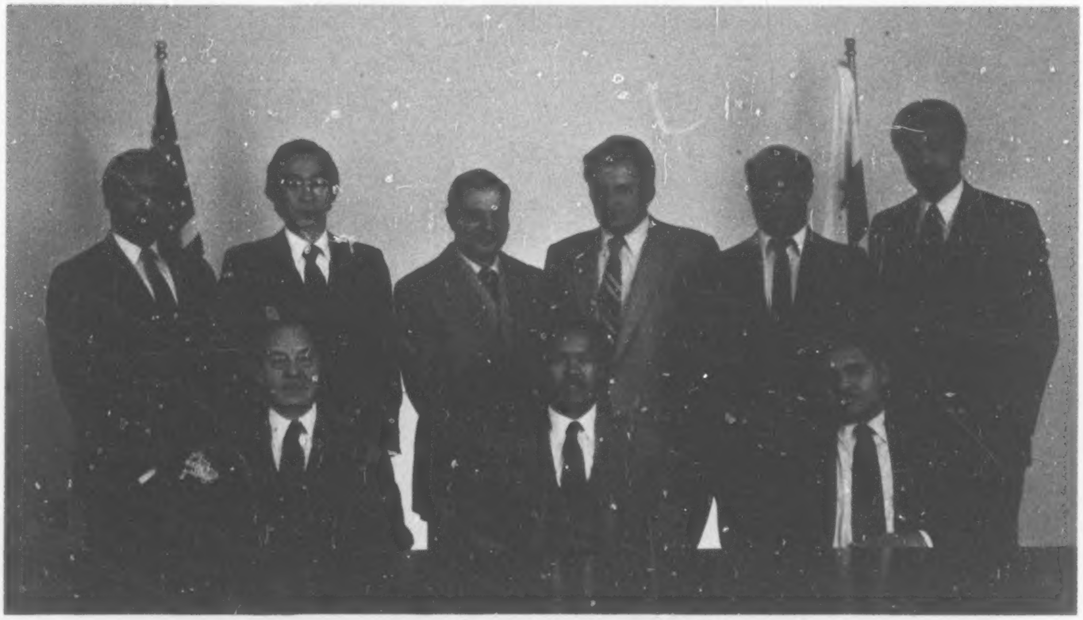
Ivanhoe Donaldson
Deputy Mayor for
Economic Development

Jeffrey L. Humber, Jr.
Acting Director, Finance and Revenue

Elizabeth Reveal
Director, Budget

Gladys W. Mack
Director, Policy &
Program Evaluation

Office of the Controller Organization



Seated (L-R): Edwin G. Ross, Director, Accounting Operations; Melvin W. Jones, Deputy Controller; N. Anthony Calhoun, Group Controller. Standing (L-R): Bernard K. Jarvis, Group Controller; William Y. Kao, Assistant Treasurer; Haig S. Gakavian, Chief, Research and Special Projects; Alfred C. Kunz, Data Processing Coordinator; Charles E. Davis, Director, Pay and Retirement; Fred Williams, Assistant Treasurer.

Principal photography for this report was made possible
by American Security Bank and Smithy Braedon.